

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
COLUMBIA DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

RUSSELL LUCIUS LAFFITTE,

Defendant.

Docket No. 9:22-658

Columbia, SC

DATE: September 6, 2022

BEFORE THE HONORABLE MOLLY H. CHERRY
UNITED STATES MAGISTRATE JUDGE, PRESIDING
BOND HEARING

A P P E A R A N C E S:

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1 THE COURT: Good morning, Ms. Limehouse.

2 MS. LIMEHOUSE: Good morning, Your Honor.

3 THE COURT: Is the Government ready to proceed?

4 MS. LIMEHOUSE: We are.

5 THE COURT: And is the Defense ready?

6 MR. DANIEL: Yes, Your Honor.

7 THE COURT: All right. The Government may call the
8 case.

9 MS. LIMEHOUSE: Thank you, Your Honor. May it
10 please the Court. We are here in the matter of United States
11 v. Russell Laffitte, Criminal Docket No. 9:22-658. Mr.
12 Laffitte is here today represented by his attorneys, Matt
13 Austin and Bart Daniel and we are here for a hearing on their
14 motion for reconsideration of the bond terms.

15 THE COURT: Okay. Thank you, Ms. Limehouse. All
16 right. So counsel is aware, I have reviewed the defendant's
17 motion for reconsideration and the Government's response.
18 And since it's the defendant's motion, I think it makes sense
19 to hear from the defense first and then Ms. Limehouse. I
20 will hear from the Government.

21 MR. DANIEL: Judge, can you repeat that. I couldn't
22 quite hear you. I've got a little hearing problem.

23 THE COURT: Certainly. Since it's the defendant's
24 motion, I think it makes sense to hear from the defense
25 first. So I will hear from you.

1 MR. DANIEL: Okay. I'm sorry, Your Honor. May I
2 consult?

3 THE COURT: You may.

4 MR. DANIEL: Your Honor, just by preamble, we all
5 agree this is not a detention hearing. We've never had a
6 detention hearing. The only issue is what is the Court to
7 impose the least restrictive conditions necessary to
8 reasonably ensure Mr. Laffitte's appearance. We had a
9 standing Court's ruling previously for a secured bond. We
10 are not asking for the Court to remove that condition to an
11 unsecured bond. What we are asking the Court for is to
12 remove electronic monitoring and home confinement.

13 And, Your Honor, at this time, I believe -- well, I
14 would like to next say I believe there was a lot of
15 misinformation. And I am not blaming the U.S. Attorney's
16 Office so much as the plaintiff's lawyers, a lot of
17 misinformation both in the state court, which is whether for
18 lack of reason or which I just believe based that incredibly
19 crazy bond in state court. And that was assumed, I'm sure,
20 and rightfully so, I might add, by the U.S. Attorney's Office
21 and by this Court that there was a reason for that and must
22 have strong evidence of that. But, Your Honor, we now know
23 there was not. And so, Your Honor, at this time I would call
24 Mr. Russell Laffitte to the witness stand.

25 THE COURT: Okay. Now, Mr. Daniel, you may do so,

1 but I do want to make clear that this Court's ruling was made
2 on the information that the Court had before it. This Court
3 is not -- has no control over what happens in state court.
4 And the state court determinations had no bearing on the
5 decision that this Court made. I am familiar with the Bail
6 Reform Act and the conditions that I have to consider in
7 terms of imposing bond conditions. So I do want to clarify
8 that for the record in light of what you've just said.

9 MR. DANIEL: Thank you, Your Honor. We understand
10 that. Your Honor, if I may call Mr. Russell Laffitte to the
11 stand.

12 THE COURT: The witness may approach.

13 THE COURT DEPUTY: And if you could please raise
14 your right hand and state your name for the record.

15 THE WITNESS: Russell Laffitte.

16 RUSSELL LAFFITTE,
17 having been duly sworn, testifies as follows:

18 THE COURT: And, Mr. Daniel, I trust that you have
19 advised the witness of his right to remain silent?

20 MR. DANIEL: Yes, Your Honor.

21 DIRECT EXAMINATION

22 BY MR. DANIEL:

23 Q. Mr. Laffitte, please tell the Court where you were
24 born and where you grew up and sort of trace your high school
25 years, where did you go to elementary school and where you

1 grew up through high school?

2 A. I was born in Columbia, South Carolina, and raised
3 in Varnville my whole life. My parents have never moved.
4 And went to high school and graduated from Patrick Henry
5 Academy. And then I went into farming for about four or five
6 years. And then I went back to college and went to Newberry
7 College and graduated in '97. And actually moved back home
8 and bought a house about a year later, literally across the
9 street from my parents, which we lived there until 2001.

10 Q. This is since what?

11 A. 2001. And, again, we moved to Forest Drive in
12 Varnville, which is about a quarter of a mile away.

13 Q. Okay. And we will get to that in just a minute.
14 And trace your work history. Have you worked back -- when
15 you went back to Hampton County, did you always work in
16 Hampton County?

17 A. I've always worked and lived in Hampton County.
18 After graduating from college in May of '97, I immediately
19 went to work at Palmetto State Bank, and been there ever
20 since.

21 Q. And you mentioned your home you bought across the
22 street from your parents. Did you ultimately sell that home?

23 A. I did. I sold that one. That was the one I sold in
24 2001 when my wife and I and Carter moved to Forest Drive. We
25 sold Forest Drive in -- I guess it was in June or July when

1 it actually closed. Because we obviously, with losing my job
2 at the bank, great change of income, and needed to be able to
3 pay for attorneys, pay for legal expenses.

4 Q. And what became of the proceeds? What happened to
5 the proceeds of that -- from that sale?

6 A. All of the proceeds are in escrow in Nelson Mullins.

7 Q. And where do you live now? Where is your primary
8 residence?

9 A. I live at 3268 Jericho Road. It is an old
10 double-wide trailer on our family's farm.

11 Q. Okay. And what kind of home do you have now?

12 A. It's just an old double-wide trailer.

13 Q. Okay. Let me ask you a couple of questions about
14 Mr. Murdaugh. First of all, do you currently have a passport
15 in your possession?

16 A. I do not. I had to surrender it to the State.

17 Q. Have you ever flown anywhere with Alex Murdaugh?

18 A. I have not.

19 Q. Have you ever flown in a private jet?

20 A. I have not.

21 Q. Have you ever been out of the country with Alex
22 Murdaugh?

23 A. I have not.

24 Q. Have you ever been to the college world series with
25 Alex Murdaugh?

1 A. No, sir, I didn't. And that was brought up in the
2 state bond hearing. That was not true.

3 Q. Please describe for the benefit of the Court your
4 family life. I know your wife is here, your wife Susan is
5 here as well as all these family members here in support all
6 of you. Tell the Court a little bit about your family life.

7 A. My wife and I have, we have two kids, Carter, who is
8 here today, she is a sophomore at Carolina, and my son is a
9 senior at Patrick Henry Academy. And then there's my mother
10 and father, and both are here today. And they live in
11 Varnville. And my sister is also here. And I also have a
12 brother and nieces and nephews -- nieces and nephew.

13 Q. So it's just about your entire family, extended
14 family in the Varnville area?

15 A. Yes, sir. My immediate family all live in Hampton
16 County.

17 Q. Now, the conservator loans that were made and
18 subject of this indictment, were they all timely paid back at
19 the time?

20 A. They were.

21 Q. And they were all timely paid back with interest?

22 A. Yes, sir.

23 Q. And the conservative loans to Alex Murdaugh, were
24 those timely paid back?

25 A. Yes, sir.

1 Q. And were those loans that you took up, your loans
2 from the conservatorship, were those lines fully secured?

3 A. They were.

4 Q. What were they secured by?

5 A. They were secured by Palmetto State Bank stock.

6 Q. Was that collateral ample enough to cover the loans?

7 A. Absolutely.

8 Q. Now, the plaintiff's lawyer came in here last
9 hearing we had before Judge Cherry and he talked about the
10 victims in the case. Now, did the Plylers have money taken
11 from them?

12 A. They did not.

13 Q. So when Alex Murdaugh, he stole some \$8 million, he
14 didn't steel any of Plyler's money?

15 A. No, sir.

16 Q. So did they get all their money shortly after the
17 settlement?

18 A. Yes, sir.

19 Q. Tell the Court a little bit about your community
20 involvement. What sort of civic clubs have you been in and
21 what sort of community --

22 A. I've always been proud to live in Hampton County and
23 tried to be involved. I was on the vestry of All Saints
24 Episcopal Church for 15 years. I was vice chairman of the
25 Hampton County Disabilities and Special Needs Board until

1 after I was released from the bank. And I resigned at that
2 point in time. I was on the Hampton Economic Development
3 Commission for a couple of years. I had to step off of that
4 because I didn't realize that you could not be on two county
5 or state control boards at the same time. So I had to choose
6 between Disabilities and Special Needs Board or Economic
7 Development. So I chose Disability and Special Needs.

8 And I was a Little League baseball -- Little League
9 coach for a year or two when my son was coming through. I
10 also ran the concession stand for the Hampton County Little
11 League or Rec Department when they had -- for their football
12 teams.

13 Q. Up until this year, did you always run those
14 concession stands at the legal league football stands?

15 A. I did it when my son and daughter were going through
16 Little League. And I was also a member of Rotary. Just been
17 trying to be involved.

18 Q. What are your hobbies?

19 A. Really my only hobbies are hunting with my family
20 and my kids. And I like to take friends hunting. And that's
21 about all I do.

22 Q. And where are your shotguns or any guns you have
23 now?

24 A. All of my guns are at my mother's or father's and my
25 brother's house in Varnville and Hampton.

1 Q. Have you ever been accused of an act of violence?

2 A. No, sir.

3 Q. Now, let's shift gears and talk a little bit for the
4 benefit of the Court about your ties to Alex Murdaugh. Tell
5 the Court how you came to know Alex Murdaugh.

6 A. Alex Murdaugh and I grew up next-door across the
7 street from each other. He's two to three years older than I
8 am. So, you know, we were always in the neighborhood growing
9 up together. But being older, we were never really close. I
10 was much closer, actually, with his younger brother, John
11 Marvin, because of similar age and similar interests. And we
12 would play on the sports teams together where Alex and I
13 never would. And, you know, that was pretty much the extent.
14 I mean, we never did things like -- never went on trips,
15 never did. You know, everybody in the media would make out
16 that we were just best friends. We were not. We were in
17 business -- we definitely had a business partnership.

18 Q. As an adult, how many times have you been to Alex
19 Murdaugh's home?

20 A. His house on Mozel that they had just sold, I had
21 been there two times. One time I was coming home from a dove
22 hunt. I knew I was in there. I decided I was going to ride
23 by. Never been down. Wanted to see it. So I rode by and
24 visited with him for about 30 minutes.

25 The next time I went to see him was to pay my

1 condolences for his wife and son being murdered.

2 Q. And Alex Murdaugh borrowed much money many times
3 from Palmetto State Bank over the years?

4 A. Yes, sir. He's borrowed millions of dollars and
5 paid back millions of dollars over the years. And we never
6 had -- you know, he might have paid slow sometimes, but he
7 always paid us.

8 Q. And did he always pay the interest on the loans?

9 A. Yes, sir.

10 Q. And Alex Murdaugh had numerous overdrafts with
11 Palmetto State Bank?

12 A. Yes, sir.

13 Q. Did he always make those overdrafts good?

14 A. He did.

15 Q. And as far as income and net worth, please describe
16 for the benefit of Judge Cherry what Alex Murdaugh's rough --
17 average annual income roughly was, Russell?

18 A. I would say his average annual income was in excess
19 of 5- or \$600,000 a year, many, many times well over a
20 million dollars a year.

21 Q. And Alex Murdaugh actually banked with another bank;
22 is that right? Which bank was that?

23 A. Yes, sir, he also had an account over at Bank of
24 America.

25 Q. And was that in the Hampton County?

1 A. No, sir. I know we have Bank of America branch in
2 Beaufort, South Carolina. And I want to say there's one in
3 Walterboro, but I'm not sure of that.

4 Q. Okay. Thank you. And when you were conservator,
5 how did you consider your relationship as conservator with
6 Alex Murdaugh?

7 A. I was conservator for his cases, which the vast
8 majority of them and all ones we are dealing with in this
9 court, he was my attorney.

10 Q. Did you trust Alex Murdaugh to be honest?

11 A. I did. I mean, you know, he had been in business or
12 been a partner at the law firm, Peters, Murdaugh, Parker,
13 Eltzroth & Detrick for many years. He's past chair or past
14 president of the Trial Lawyers Association.

15 Q. South Carolina Trial Lawyers, state-wide?

16 A. Yeah. And, you know, you just -- there was no
17 reason I would not have thought -- his family, he was an
18 assistant solicitor, his family had been in the law
19 enforcement, and basically were law in the 14th Judicial
20 Circuit for many, many decades.

21 Q. Okay. You are currently on bond. Who posted that
22 bond for you?

23 A. My father and I did.

24 Q. And have you been compliant with all the conditions
25 of that bond?

1 A. Yes, sir.

2 Q. And you are currently wearing two GPS devices; is
3 that correct?

4 A. That is correct.

5 Q. And you've been on state bond for wearing the
6 initial GPS device since sometime -- when is that?

7 A. May 6th.

8 Q. And have you had any issues when you were on state
9 bond?

10 A. Not any issues with the bond. I've had issues with
11 the monitor itself.

12 Q. And when you have issues with that monitor, what do
13 you have to do?

14 A. I have to go back to Columbia to their office.

15 Q. How many times roughly have you had those issues?

16 A. I've been back up four times since May.

17 Q. Do you have any issues since you've -- since Judge
18 Cherry set the federal bond?

19 A. No. No, sir.

20 Q. And when did you first begin cooperating after Alex
21 Murdaugh's thievery and stolen money came to light?

22 A. You know, I first started getting interviewed by
23 SLED I want to say -- or the FBI, I want to say it was
24 September or October of '21.

25 Q. Okay. And since you've been on bond, have you

1 transferred or sold any property?

2 A. Only thing I sold was my -- I say "my," our, wife
3 and I's, primary residence in Varnville.

4 Q. And that was publicly listed?

5 A. That was publicly listed with Ellis Realty and
6 Insurance.

7 Q. Did we tell the Court about that, the state court
8 judge about that?

9 A. I believe we did.

10 Q. Did we agree to place money, the proceeds, in escrow
11 at Nelson Mullins?

12 A. Yes, sir.

13 Q. Have you and your family gone to counseling since
14 this time?

15 A. We have. My wife and I decided that we needed to
16 take our children, and we went to a counselor in Hilton Head.
17 We wanted to make sure -- you know, this is a traumatic
18 experience for them to see. And we wanted them to have an
19 outlet to talk about their frustrations and, you know, where
20 maybe they don't want to talk about it with their friends or
21 talk about it with us, because I'm sure they're scared. So
22 we went to counseling.

23 Q. Finally, Mr. Laffitte, do you intend to fight these
24 charges at trial?

25 A. Absolutely.

1 MR. DANIEL: I have no further questions.

2 THE COURT: Thank you.

3 Ms. Limehouse.

4 MS. LIMEHOUSE: May it please the Court. Thank you.

5 CROSS-EXAMINATION

6 BY MS. LIMEHOUSE:

7 Q. We've met before; isn't that right?

8 A. Yes, ma'am.

9 Q. We first met back in February of this year during
10 what we call a proffer; is that correct?

11 A. That is correct.

12 Q. And during that proffer, you signed an agreement,
13 what we call a proffer agreement with the Government,
14 correct?

15 A. Yes, ma'am.

16 Q. And in that proffer agreement, you swore to tell the
17 truth?

18 A. That is correct.

19 Q. I was at the proffer agreement -- proffer hearing,
20 excuse me, session. Representatives from the Attorney
21 General's Office were there as well, correct?

22 A. Yes, ma'am.

23 Q. Special Agent Brian Womble with the FBI was there?

24 A. Ah-huh.

25 Q. And Agent Steve Bechtold with the South Carolina Law

1 Enforcement Division were there, right?

2 A. Yes.

3 Q. And we've had the opportunity to meet on another
4 occasion; is that correct?

5 A. Yes, ma'am.

6 Q. You and I sat down along with your lawyers and
7 Special Agent Brian Womble back in June of this year; is that
8 correct?

9 A. Yes, ma'am. I don't remember the dates.

10 Q. Sometime this summer, right?

11 A. Yes, ma'am.

12 Q. And during that meeting, I went over evidence
13 against you in this case?

14 A. That's correct.

15 Q. I want to talk a bit about giving some of your
16 testimony on your direct about the nature and circumstances
17 of these offenses and the weight of the evidence against you.
18 Let's start with your history with Palmetto State Bank. You
19 were terminated from your employment with Palmetto State
20 Bank; is that correct?

21 A. That's correct.

22 Q. And at the time you were CEO?

23 A. That is correct.

24 Q. How long had you been CEO of the Palmetto State
25 Bank?

1 A. Since '20 -- maybe May or June of 2020, not long.

2 Q. And before becoming CEO, what was your title and
3 position with the bank?

4 A. I was executive vice president and chief operating
5 officer.

6 Q. Okay. You are based in the Hampton branch of
7 Palmetto State Bank; is that correct?

8 A. Yes, ma'am.

9 Q. You are sort of the branch manager of the Hampton
10 branch, is that right?

11 A. Yes, ma'am.

12 Q. How long had you served in that capacity?

13 A. Probably 20 years, 15 years.

14 Q. So your father also is located in that branch,
15 correct?

16 A. That is correct.

17 Q. What was his role during the course of the
18 allegations in the indictment?

19 A. He was chairman of the board.

20 Q. Chairman of the board. So what was his role in the
21 Hampton branch specifically?

22 A. As chairman of the board, he was the top banker.
23 You know, he would do loans. He would do whatever. He looks
24 at all the daily statements every morning, goes through
25 overdrafts, everything.

1 Q. Talk to me about the bank's relationship with the
2 law firm PMPED?

3 A. PMBED had been very good customers of ours for
4 decades. They were probably at largest private -- I will say
5 private, nonpublic -- depositor that we had. We had numerous
6 loans with many of their lawyers. We worked very closely
7 with them.

8 Q. Safe to say that your relationship -- the bank's
9 relationship and your relationship as the branch manager in
10 Hampton was very important with PMPED?

11 A. Correct.

12 Q. And how about with Alex Murdaugh? How about your
13 relationship with Alex Murdaugh as a professional banker?

14 A. He had always paid as well. So we didn't have any
15 issues with him. We would always watch, just like everybody
16 else, talked about his overdrafts, and we watched them. We
17 spoke with him many times. E-mailed him about them. You
18 know, we stayed on top of him. Loaned him money sometimes to
19 cover them. Sometimes he would cover them with his own
20 funds.

21 Q. Stayed on top of him, you watched his personal
22 accounts all the time, right?

23 A. No.

24 Q. The internal bank records can show when you accessed
25 Alex Murdaugh's accounts, is that correct?

1 A. Absolutely.

2 Q. And you would check to see the status of those
3 personal accounts regularly; is that accurate?

4 A. No. No, ma'am. I would -- we have a report called
5 nonsufficient funds report. It's printed every morning. And
6 if somebody is in overdraft, it's on that report. So I would
7 not access his accounts.

8 Q. So every morning you got a report that notified you
9 if a customer was in overdraft?

10 A. Yes, ma'am.

11 Q. So every morning you got a report when Alex Murdaugh
12 was in overdraft?

13 A. He would be on the report if he was in overdraft or
14 had an overdraft account checked.

15 Q. All right. Let's talk about your agreement to serve
16 as conservator or personal representative for clients of Alex
17 Murdaugh.

18 A. Yes, ma'am.

19 Q. Those clients were Alania and Hannah Plyler?

20 A. Ah-huh.

21 Q. Natasha Thomas and Hakeem Pinckney?

22 A. Yes, ma'am.

23 Q. Malik Williams?

24 A. Yes, ma'am.

25 Q. And the estate of Donna Badger; is that correct?

1 A. No, ma'am. Malik Williams was Paul Detrick's
2 client.

3 Q. Okay. But you served as conservator for him; is
4 that correct?

5 A. That's correct.

6 Q. And Paul Detrick is another lawyer at the PMPED,
7 right?

8 A. He was, yes, ma'am.

9 Q. What was your understanding of your duties as a
10 conservator?

11 A. I would get their money and take it and hold it and
12 put it in accounts and invest it, handle it for them.

13 Q. So you were responsible with managing funds for
14 those individuals?

15 A. Yes, ma'am.

16 Q. And you owed them a duty to properly manage their
17 funds; is that correct?

18 A. That's correct.

19 Q. And how about your duties as a personal
20 representative, how did you understand those duties?

21 A. Same as a conservator.

22 Q. What was your requirement in terms of reporting to
23 the probate court?

24 A. On which case?

25 Q. All of them, as a conservator or personal

1 representative?

2 A. If you were getting ready to borrow -- not borrow,
3 if you are getting ready to buy something or spend money, you
4 would have to fill out an order, expense order or allowance,
5 purchase order or something like that. And then every year
6 you would have an annual accounting that you would turn in.

7 Q. So you knew you had to go to the probate court to
8 request permission to spend funds from the conservator
9 accounts; is that correct?

10 A. Yes, ma'am.

11 Q. During the course of the years that are set forth in
12 the indictment and then you serving in your roles as personal
13 representative or conservator for those individuals that we
14 discussed, how much money did you collect in fees?

15 A. 390-, 400,000, somewhere around there. I am not
16 exactly sure of the amount.

17 Q. So let's talk about from 2011 to 2015, because
18 that's when you served in these roles for the most part.
19 What was your annual salary at the bank?

20 A. I really don't know, 100,000, 150,000 at the most.

21 Q. So during this time, you were making a substantial
22 percentage of your yearly income on fees in your role as
23 conservator or personal representative?

24 A. Right, 25 percent, yes, ma'am.

25 Q. Did you report these fees to the IRS?

1 A. Yes, ma'am.

2 Q. Every year you included the fees on your tax
3 returns?

4 A. I went back and paid all of them. We didn't do
5 it -- I did not do it at that time. I did some, not all of
6 them. But I went back and I have amended all my tax returns
7 to include them.

8 Q. So between 2011 and 2015, you never reported the
9 income to the IRS?

10 A. I would have to go back and look at my tax returns.

11 Q. When did you first report the income to the IRS from
12 these fees?

13 A. We --

14 Q. You just said you went back --

15 A. Some I did then. Some I didn't. And I would say
16 2021 I corrected all of them. We amended all of my tax
17 returns.

18 Q. So do you remember which income you did report?

19 A. No, ma'am.

20 Q. And you don't remember which income you did not
21 report?

22 A. Well, we would have to go back and get my accountant
23 to go through it.

24 Q. But safe to say between 2011 and 2015, you did not
25 report substantial income that you made on fees as personal

1 representative or conservator in these cases?

2 A. I wouldn't say substantial, but some, yes, ma'am.

3 Q. 25 percent by your estimate?

4 A. If -- that's on some of them. The vast majority
5 came off of two cases. And those I know I paid the taxes on.
6 So I would say some.

7 Q. All right. Let's talk about some of these cases
8 specifically. Let's talk about Hannah Plyler and Alania
9 Plyler. You were appointed to serve as their conservator
10 after their mother and brother were killed in a horrific car
11 accident; is that correct?

12 A. That's correct.

13 Q. How old were they at the time you were appointed to
14 serve as their conservator?

15 A. Maybe 11 and 15, somewhere right there. I'm not
16 sure.

17 Q. So how did you understand your role as their
18 conservator?

19 A. I understood my role as they would -- if they wanted
20 any money from the lawsuit, they would come into me, I would
21 pay their expenses or whatever they needed and manage their
22 money for them until they turned 18. And at that point in
23 time, turn it over to them.

24 Q. So they received substantial settlement funds
25 following civil lawsuits; is that correct?

1 A. Absolutely.

2 Q. About how much money were charged with managing for
3 them as their conservator?

4 A. I would have to get accounts to actually look at.
5 There's probably 4- or 5 million in each of them. Maybe a
6 little more than that.

7 Q. During the course of the time you served as their
8 conservator, you took eight loans from the conservatorship
9 account to yourself; is that correct? And those loans
10 totaled \$355,000?

11 A. Yes.

12 Q. You testified that at the time your salary was about
13 \$100,000?

14 A. Somewhere right in there, yes.

15 Q. In addition to your salary and the fees you
16 collected for managing these conservatorship accounts, you
17 also took \$355,000 in loans?

18 A. Correct.

19 Q. And that first one took place in July of 2011,
20 correct?

21 A. Somewhere right there, yes, ma'am.

22 Q. And you took a loan for about \$250,000?

23 A. That's correct.

24 Q. What did you take that loan out for?

25 A. Actually, my lawyers and I were discussing, we have

1 to research. I don't remember at this time.

2 Q. So you don't remember taking out a \$250,000 loan --

3 A. No, ma'am, I remember taking the loan. I don't
4 remember exactly what the money went to.

5 Q. So at the time you were making less than half in a
6 yearly salary of the amount of loan that you took out of
7 Hannah Plyler's account?

8 A. Yes, ma'am.

9 Q. But you don't remember why you would need that loan?

10 A. Offhand, no, ma'am, I do not.

11 Q. And you don't remember how you spent any of that
12 money?

13 A. I'm sure I paid bills. I'm just trying -- I mean,
14 it's 2011.

15 Q. And you continued to take loans from Hannah Plyler's
16 conservatorship account beyond that initial \$250,000 loan?

17 A. Yes, ma'am.

18 Q. You say that the loans were secured by your interest
19 in Palmetto State Bank stock; is that correct?

20 A. It was secured by the stock, yes, ma'am.

21 Q. Did you tell anyone about these loans that you took
22 from the Plyler account?

23 A. No, ma'am.

24 Q. Did you tell anybody at Palmetto State Bank?

25 A. No, ma'am.

1 Q. Did you tell Alex Murdaugh that you were taking
2 loans from the Plyler accounts?

3 A. No, ma'am.

4 Q. Did you tell Hannah or Alania Plyler that you were
5 taking loans?

6 A. I did not. But they were in the filings after when
7 they turned 18 when I gave it to them.

8 Q. Did you tell their guardian that you were taking
9 loans from their account?

10 A. I've never spoke with the guardian over five times.

11 Q. Did you request permission from the probate court to
12 extend these loans to yourself and the conservatorship
13 account?

14 A. I spoke to the probate judge originally. She said
15 it was okay, that we could loan money. So yes, I did.

16 Q. Tell me about those conversations with Judge Odom.

17 A. I went over -- Alex had come to me and asked me, he
18 said, you know, can we -- said I need to borrow some money or
19 whatever. He said, can I borrow it from the girl's account.
20 And I said, look, I don't have any idea. I said, you know,
21 we have a lot sitting here. But I said, I will have to talk
22 to the judge. So I went over, walked across the street to
23 the courthouse, went to Judge Odom, sat down and talked with
24 her, and she said it wouldn't be a problem.

25 Q. So your testimony is Alex came to you needing a

1 loan?

2 A. Yes.

3 Q. Why didn't you loan him money from Palmetto State
4 Bank rather than from the conservatorship accounts?

5 A. I could have. Well, I say I could have. I couldn't
6 approve this loans. I had to go through the executive
7 committee

8 Q. Why didn't you extend loans from Palmetto State Bank
9 rather than from a minor child's money?

10 A. I still feel that it was a good investment for the
11 girls. They made money off of that investment, a lot more
12 than they would have made sitting there in a money market or
13 CD.

14 Q. Were these loans secured?

15 A. Not then.

16 Q. All of the loans you extended to Alex were unsecured
17 loans, correct?

18 A. Yes.

19 Q. All right. I want to just get back into how these
20 loans came about. Your testimony is that Alex came to you?

21 A. Yes, ma'am.

22 Q. Before you took the initial loan from Hannah
23 Plyler's account?

24 A. Yes.

25 Q. So months prior to you extending a loan to Alex

1 Murdaugh, he came to you with the idea of taking a loan from
2 Plyler's account?

3 A. That's right.

4 Q. And at that point, you testified that you went to
5 Judge Odom and asked permission, and she told you you could?

6 A. That is correct.

7 Q. Would it surprise you to learn Judge Odom has told
8 us you never requested permission --

9 MR. DANIEL: Your Honor, I'm going to object to what
10 Judge Odom said to the Government. Judge Odom -- it's just
11 hearsay.

12 THE COURT: The way the question was phrased, I
13 don't think she's eliciting -- she asked if it would surprise
14 him to know. I will allow that question. But, Counsel,
15 please be mindful.

16 MS. LIMEHOUSE: Thank you, Your Honor.

17 BY MS. LIMEHOUSE:

18 Q. Would it surprise you to know?

19 A. No, it does not.

20 Q. So you testified that you didn't notify anybody of
21 the loans that you took from Hannah Plyler's account?

22 A. That's correct.

23 Q. But you claim that they were secured. What would
24 have happened if you didn't pay that loan back? No one knew.

25 A. If something happened and I didn't pay it back --

1 the judge knew.

2 Q. By your annual accounting, is that how you say the
3 judge knew?

4 A. Yes, ma'am. And if something happened, I mean, we
5 have to account for this money at the end of each year,
6 either in assets and liabilities or in cash. Depending on
7 what time it was that something happened, you know, it's
8 clearly stated on the loan form secured by whatever --
9 however many numbers of shares of Palmetto State Bank stock.
10 I handled the shares of the actual certificate as well.

11 Q. Let's talk about the rate. What interest rates did
12 you pay on the loans from the Plyler account?

13 A. Anywhere from three and a half to one and a half.

14 Q. So you would reduce the interest rate as you took
15 more loans from Plyler to your benefit?

16 A. I always tried to make sure they were at least
17 making double what they would have made in the investment.

18 Q. But you unilaterally negotiated for yourself more
19 favorable interest rates from this child's account?

20 A. I guess, yes, ma'am, I did.

21 Q. And with no notice to anyone else and no one to call
22 you on it?

23 A. No, ma'am. The judge could have called me on it.

24 Q. When it comes time for you to pay these loans back,
25 you've used fees --

1 A. Yes, ma'am.

2 Q. -- that you may or may not have reported to the IRS
3 from serving as PR or conservator for other personal injury
4 clients for Alex Murdaugh; is that correct?

5 A. That's correct.

6 Q. And at the end, you owed a large sum of money. And
7 I say in the end, when Hannah turned 18 and you had to close
8 the conservatorship out, you owed a large sum of money still;
9 is that correct?

10 A. That's correct.

11 Q. And you got a loan from Johnnie Parker?

12 A. That's correct.

13 Q. To pay off those loans to Hannah Plyler?

14 A. Yes, ma'am.

15 Q. Not a single penny of your own money legitimately
16 made from Palmetto State Bank were used to pay off those
17 loans for Hannah Plyler; is that correct?

18 A. No, ma'am. I don't agree with that.

19 Q. Did you use fees to pay off the loans?

20 A. Yes, ma'am.

21 Q. And did you use a loan from Johnnie Parker to pay
22 off the remainder of those loans?

23 A. To pay off the remainder, yes, ma'am. I've been
24 paying during -- over the years.

25 Q. You didn't use any of your own income to pay off

1 these loans?

2 A. Ma'am, the fees are my income.

3 Q. Not enough to report it to the IRS?

4 A. I reported it to the IRS.

5 Q. You testified that you didn't report all of your
6 income to the IRS.

7 A. No. I just testified I amended my tax returns in
8 2021 to incorporate any fees that I did not report.

9 Q. At the time you didn't consider it legitimate income
10 to report to the IRS?

11 A. I wouldn't say I didn't consider it legitimate
12 income.

13 Q. Well, we will get into how you took your role as
14 conservator or PR a little bit later for these other
15 individuals. It's my understanding that you are still paying
16 off this loan to Johnnie Parker that you used to pay off all
17 the loans to Hannah Plyler, is that correct?

18 A. That's correct.

19 Q. Let's talk about these loans to Alex Murdaugh. You
20 extended the first loan to Alex Murdaugh in September of
21 2011; is that correct?

22 MR. DANIEL: Can you repeat?

23 Q. You extended the first loan to Alex in September of
24 2011; is that correct?

25 A. I'm going to assume somewhere in there.

1 Q. That's two months after you took the initial
2 \$250,000 loans?

3 A. Yes, ma'am.

4 Q. Two months after you claim Alex came to you with the
5 idea of getting loans from the conservatorship account?

6 A. Yes, ma'am.

7 Q. And at the time you gave this first loan that was
8 \$90,000, what was the status of Alex Murdaugh's personal
9 account? He was in thousands of dollars in overdraft; is
10 that correct?

11 A. That's what you wrote in your response. I'm going
12 to assume that that is correct.

13 Q. Well, internal bank records show me that you had
14 accessed his account to determine the status.

15 A. I don't doubt that. I don't remember what exact
16 status was 11 years later. I'm sorry.

17 Q. But at the time you would access the accounts to
18 determine the status before loaning him money from the Plyler
19 accounts?

20 A. Yes, ma'am.

21 Q. You were aware that he was thousands of dollars in
22 overdraft?

23 A. Yes, ma'am.

24 Q. All right. Two months later, you then extend a
25 \$40,000 loan from -- this is the Malik Williams account --

1 just two months later, at that point he's still in overdraft?

2 A. Yes, ma'am.

3 Q. And what we see is you continue to extend a total of
4 14 unsecured loans totaling nearly a million dollars from a
5 minor child's account?

6 A. That's correct.

7 Q. And you were charged and had the duty to manage this
8 money properly?

9 A. Yes, ma'am.

10 Q. And every time you extended a loan from Hannah
11 Plyler's account, Alex Murdaugh was thousands of dollars in
12 overdraft; is that correct?

13 A. I'm going to assume that's correct, yes, ma'am.

14 Q. Well, you would check his account to see that he was
15 in overdraft before transferring the money from Plyler's
16 account; isn't that correct?

17 A. I would check it before I transferred it because I
18 would have to pull the account up to transfer money. But I
19 just don't remember what his account status was each time,
20 each loan, 11 years later. I have to see the records.

21 Q. But you agree you would check the account before
22 transferring the money for Plyler and see that he's thousands
23 of dollars in overdraft?

24 A. I would agree that I checked the account.

25 Q. All right. Let's go through the first loan,

1 September 14th, 2011. He was \$3,900 and some change in
2 overdraft when you gave him a \$90,000 loan; is that correct?

3 A. Yes, ma'am, I'm assuming so.

4 Q. Let's go to a \$50,000 loan. On October the 23rd of
5 2012, he was \$26,000 in overdraft; is that correct?

6 A. I'm assuming.

7 Q. Let's go to February 12th, 2013, he was 115,000 and
8 some change in overdraft, and you loaned him \$150,000 from
9 the Plyler account; is that correct?

10 A. I would assume that, yes, ma'am.

11 Q. Let's go to July 29th, 2013, he was \$16,000 and some
12 change in overdraft and you loaned him \$100,000? Let's go to
13 September of 2013, he's 27,000 and some change in overdraft
14 and you loaned him \$40,000?

15 A. Yes, ma'am.

16 Q. Let's go to October 23rd of 2013, he was \$64,000 and
17 some change in overdraft, and you loaned him \$70,000.

18 THE COURT: Mr. Laffitte, if you could speak on the
19 record.

20 THE WITNESS: Yes.

21 BY MS. LIMEHOUSE:

22 Q. Let's go to November 2013. You loaned him \$25,000,
23 and he was \$6,000 in overdraft?

24 A. Yes, ma'am.

25 Q. Let's go to December of 2013. He was over \$30,000

1 in overdraft, and you loaned him another \$100,000?

2 A. Yes, ma'am.

3 Q. Let's go to March of 2014. He was nearly \$15,000 in
4 overdraft, and you loaned him \$75,000; is that correct?

5 Let's go to May of 2014. He was \$18,000 and some change in
6 overdraft, and you loaned him \$50,000; is that correct?

7 A. That's true.

8 Q. So you loaned him nearly a million dollars in
9 unsecured loans as an executive at the Palmetto State Bank --

10 A. Yes.

11 Q. -- while you were charged with managing this minor
12 child's funds?

13 A. That's correct.

14 Q. All right. Let's talk about how Alex Murdaugh paid
15 these loans off when it came time. You served as conservator
16 and/or PR for all of the individuals where this money came
17 from; is that right?

18 A. Yes, ma'am.

19 Q. And you negotiated every single check that he used
20 to pay off the loans to Hannah Plyler?

21 A. That's correct.

22 Q. And you saw that the memo lines on every single one
23 of those checks referenced the individual who you owed a duty
24 to on that memo line?

25 A. Saw that after the fact. I would not have noticed a

1 memo line during the time.

2 Q. You would not have noticed that a memo line says,
3 for example, estate of Donna Badger, when you are
4 transferring hundreds of thousands of dollars?

5 A. You know, when your attorney comes in and says, hey,
6 I need you to do this, this, this, with a check, with your
7 check and it's made correctly to Palmetto State Bank, I don't
8 know if he's borrowed money from the law firm, I don't know
9 what he's done.

10 Q. We will talk about those specifics when we get into
11 how those moneys are paid. Let's talk about at the very end
12 when Hannah Plyler turns 18 and she has to -- you know, first
13 let me ask you one other thing about one of those lines
14 specifically.

15 A. Sure.

16 Q. The one we talked \$70,000 loan you extended on
17 October 23rd of 2013, do you recall receiving an e-mail from
18 Alex -- excuse me. You e-mailed him first on October the
19 22nd of 2013, saying, need a deposit, thought you were coming
20 in yesterday; is that correct?

21 A. Yes.

22 Q. And you e-mailed him because he was thousands of
23 dollars in overdraft, more than \$60,000 in overdraft, and you
24 needed him to come in and make that overdraft right; is that
25 correct?

1 A. That's correct.

2 Q. And Alex responds, can you make a loan from Hannah
3 and I will pay it as we discussed?

4 A. That's correct.

5 Q. And then you respond and say, I transferred \$70,000?

6 A. Yes, ma'am.

7 Q. And he tells you, I will come back at some point
8 this week, out of town today and in the morning, so it will
9 be tomorrow or after Friday?

10 A. Yes, ma'am.

11 Q. So you are accessing his accounts, seeing that he's
12 thousands of dollars in overdraft, calling him and contacting
13 him to come and make that overdraft right, and you then
14 transfer money from Hannah Plyler's account?

15 A. Yes, ma'am.

16 Q. And that's how it was with every one of these loans,
17 right?

18 A. Not every one, I'm sure, but some of them.

19 Q. All right. So when Hannah turns 18, you and Alex
20 are paying really close attention to this conservatorship
21 having to be closed out; is that correct?

22 A. She was turning 18, we knew we had to close it out,
23 yes, ma'am.

24 Q. And so what happens when Alex owes over 280 grand
25 still to Hannah Plyler?

1 A. He had made arrangements to borrow half a million
2 dollars from Palmetto State Bank on a line of credit.

3 Q. Explain to me "made arrangements."

4 A. I mean, he came to us about borrowing money. I
5 didn't know what he needed half million for. But he made the
6 arrangements to do it. He went through -- I mean, to make a
7 loan of that size, it's not going to happen overnight. First
8 of all, it was secured, so we had to do a closing and
9 everything else. It took awhile.

10 Q. Okay. What did he tell you when he came to you to
11 get a \$500,000 line of credit?

12 A. He just said he wanted to open up a line of credit.
13 I don't know exactly what he said. But, I mean, yes, I did
14 know that he would use some of the funds to pay it back.

15 Q. Okay. What was the stated purpose of that line of
16 credit?

17 A. Farming.

18 Q. So you knew he came to you and asked -- did he ask
19 for money for farming or it was your idea to make it for
20 farming?

21 A. I'm not sure whose idea it was to put farming. He
22 owned a large property, 1700 acres, plus or minus, that had
23 timber growing on it, so dust farms sort of. But it's common
24 practice in banks to put loans onto the commercial side for
25 ease of regulations or regulatory burden.

1 Q. Less oversight, right? You make a commercial loan,
2 there's less oversight?

3 A. Yes, ma'am.

4 Q. So you state that it's for farming, even though you
5 know he's going to spend hundreds of thousands of dollars to
6 pay off loans to Hannah Plyler?

7 A. Yes, ma'am.

8 Q. And you knew that when the loan was extended?

9 A. I didn't know whether he was going to do that or
10 not, but I was assuming that, yes, I was.

11 Q. So when he came to you asking for a line of credit
12 for farming, you knew at that time he was going to use some
13 of that money to pay off the loans to Plyler's account?

14 A. I don't remember whether I knew for a fact that
15 that's what he was going to do or not. I did know for a fact
16 when I transferred the money.

17 Q. But it was for the stated purpose of farming?

18 A. That is correct.

19 Q. And you do know as a CEO of a bank that you have to
20 put the accurate use and purpose of the funds in the loan
21 documents and use those funds in the way that the loan is
22 intended, correct?

23 A. I know --

24 Q. That's not the way you did --

25 A. I know that's what's supposed to happen, but that

1 didn't in reality.

2 Q. It never happened with Alex, did it, in reality?

3 A. In reality, I am not saying it didn't happen with
4 Alex, didn't happen with a lot of instances.

5 Q. With Alex included, correct?

6 A. With Alex included.

7 Q. So in February of 2015, Hannah Plyler is about to
8 turn 18. Y'all decide, you and Alex decide that the bank is
9 going to loan him \$500,000 line of credit for the purpose of
10 farming and use over 280 grand of these moneys, these funds,
11 to pay off the Plyler loans?

12 A. "Y'all" did not decide. Alex requested a loan, a
13 line of credit secured by his property. We agreed to the
14 line of credit. And at that point, it was made, need to
15 transfer \$284,000, or whatever, and pay it off, and that's
16 what I did.

17 Q. Well, you negotiated all those checks to pay it off,
18 right, the Plyler accounts?

19 A. Which checks?

20 Q. The cashier's check that was issued out of line of
21 credit and then deposited into Plyler's account, you
22 negotiated those checks?

23 A. Probably. I'm going to assume I did.

24 Q. So you knew at the time he was getting the \$500,000
25 line of credit that he was going to use those funds to pay

1 off the loans to Hannah Plyler?

2 A. Yes, ma'am, I knew he would use the line of credit
3 when he did that.

4 Q. Inconsistent with the stated purpose of the loan?

5 A. Yes, ma'am.

6 Q. Okay. Let's talk about specifically the October
7 23rd \$70,000 loan that y'all e-mailed about. And I need a
8 deposit. Alex responds, I will be back later this week to
9 pay back as discussed. Correct?

10 A. Yes, ma'am.

11 Q. He, in fact, used money from the estate of Donna
12 Badger to pay off that loan, is that correct, as you
13 discussed?

14 A. I'm not sure on that specific loan, but I know he
15 used the money from other -- well, I didn't know at the time.
16 I learned about it in late 2021 when we were doing -- when
17 I'm doing the research for the SLED and FBI, doing research,
18 I realize what he had done, where he had stolen the money.

19 Q. At the time you negotiated checks with the memo
20 line, "Estate of Donna Badger," as PR for the estate of Donna
21 Badger to pay off Hannah Plyler loans?

22 A. I did not realize it was her money, no, ma'am.

23 Q. But you negotiated those checks?

24 A. I did negotiate the checks, yes, ma'am.

25 Q. And that was five days after you extended that

1 initial \$70,000 loan?

2 A. Somewhere right there, yes.

3 Q. And that pattern was consistent and repeated itself
4 for all of these loans -- except for the 284 that the bank
5 extended, all were checks negotiated by you referencing Alex
6 clients?

7 A. Yes, ma'am.

8 Q. Let's talk about the estate of Donna Badger. So
9 Alex requested that you serve as personal representative for
10 the estate of Donna Badger?

11 A. That's correct.

12 Q. So Donna Badger was killed in a horrific car
13 accident, correct?

14 A. Yes.

15 Q. She left behind six surviving children and her
16 surviving husband, who was the driver of the car, correct?

17 A. Correct.

18 Q. So you were appointed to serve as the personal
19 representative for the estate, not for her husband, but for
20 the estate, correct?

21 A. That's correct.

22 Q. And what did you understand your duties to be as the
23 PR for the estate of Donna Badger?

24 A. I would handle her money if it came in and when it
25 came in.

1 Q. If and when it came in. Did you ever meet any of
2 the beneficiaries of the estate of Donna Badger?

3 A. I met with Arthur Badger. I don't remember. I'm
4 sure I probably met with some of them at some point in time,
5 but I don't recall.

6 Q. What was the context of your interactions with
7 Arthur Badger?

8 A. We just would speak. I'm going to say that I took
9 over as PR from Arthur. I don't remember the exact details
10 of what was going on with the case. I helped him set up
11 the -- what they call the structured settlements for all of
12 the beneficiaries.

13 Q. So your testimony is that you did meet Arthur
14 Badger?

15 A. At some point, yes, ma'am, I did.

16 Q. In your role as personal representative of his
17 estate -- of her estate, excuse me?

18 A. I am not saying I was as personal representative at
19 the time that I met him. At some point in time during that
20 case, I did meet with him.

21 Q. Okay. And both the estate of Donna Badger and
22 Arthur Badger received substantial settlements following
23 civil lawsuits?

24 A. The estate did, yes.

25 Q. At the time of the settlement, the law firm issued

1 one large check for \$1,325,000 for the estate of Donna
2 Badger; is that correct?

3 A. We never saw the check.

4 Q. Well, you received an e-mail from Alex --

5 A. I did.

6 Q. -- asking you to reissue the check for 1.325 and
7 re-cut it as he listed in his e-mail; is that correct?

8 A. His e-mail asked me -- he said, got a million 325,
9 or something along those lines, and said, hey, what do I owe
10 the girls, and subtract what I owe the girls, and this and
11 that and let me know and send it back to me to sign and have
12 it re-cut.

13 Q. Why would Alex be telling you to e-mail him
14 separately and ask that a settlement check be re-cut in the
15 way that he listed?

16 MR. DANIEL: Your Honor, I object to the question.
17 He's got no way of knowing what Alex Murdaugh was thinking at
18 the time.

19 MS. LIMEHOUSE: He testified that they have a
20 professional relationship. He said he's his lawyer.

21 THE COURT: So, Counsel --

22 MR. DANIEL: This is my concern. She's asking what
23 Alex Murdaugh thought at the time. How could he know that?

24 MS. LIMEHOUSE: I asked why.

25 THE COURT: Counsel, excuse me. Let me issue a

1 ruling. I hear you. To the extent that this witness is
2 familiar or had a discussion, I will allow the question. I
3 agree with you that he's not in the mind of that individual
4 and cannot know. But he may have had discussions. And to
5 the extent that he does, I will allow the question.

6 Counselor, if you will be mindful in terms of how
7 you phrase the question. You may proceed.

8 MS. LIMEHOUSE: Understood, Your Honor. Thank you.

9 BY MS. LIMEHOUSE:

10 Q. Why did you understand Alex Murdaugh to be sending
11 you an e-mail asking that the Badger settlement check be
12 re-cut?

13 A. I did not understand. I didn't realize it was the
14 Badger settlement. I didn't know what it was.

15 Q. Why did you understand him to be sending you an
16 e-mail asking you to then e-mail him to have a check re-cut?
17 What did you think he was doing in your mind?

18 A. I had no idea. Maybe -- I had no clue what he was
19 thinking. I don't. I assume what he was doing, but at the
20 time I had no clue.

21 Q. So you took his e-mail and you did your own math,
22 right?

23 A. Yes.

24 Q. You took the \$388,687.50 that he first listed, and
25 then whatever the amount I owe on the Hannah loan, you did

1 your math there for \$151,726.05, correct?

2 A. Correct.

3 Q. \$75,000 Alex told you to do?

4 A. Yes, ma'am.

5 Q. And then whatever the remaining balance is what you
6 put out to be \$709,586.45; is that correct?

7 A. Yes, ma'am.

8 Q. So after you did your math, you then e-mailed Alex
9 in a separate e-mail chain and stated those amounts and said,
10 can you get Jeannie to re-cut check number 43162 dated
11 November 19th, 2012 as follows. You then e-mail Alex in a
12 separate e-mail asking him to have his staff re-cut the
13 check.

14 A. That's what he asked me to do.

15 Q. Why couldn't Alex just tell his staff to re-cut the
16 check? Why did it have to come from you?

17 A. He needed to know the amounts. He didn't know the
18 exact payoff of the girls' loans. So he e-mailed me, I would
19 assume, to find out the exact amount. Why he did it? I
20 don't know why he did it. I have a good idea now years
21 later.

22 Q. He needed you to send the e-mail as the personal
23 representative of the estate to the staff at PMPED so that
24 they would re-cut the check to you as personal
25 representative. He couldn't do it without your agreement to

1 do it; is that correct?

2 A. I don't know what he had -- why he did it. I can't
3 answer that. I don't know why he did it.

4 Q. You saw a disbursement sheet --

5 A. I signed a disbursement sheet, yes, ma'am.

6 Q. -- related to the settlement funds and where they
7 were supposed to go; is that correct?

8 A. That's correct.

9 Q. And according to the disbursement sheet, you were to
10 receive \$35,000 in settlement -- in fees for serving as
11 personal representative?

12 A. That's correct.

13 Q. And you claim you've met with Arthur Badger as a
14 personal representative?

15 A. At some point, I met with him. I don't know whether
16 it was at Alex's office or he came into my office. I don't
17 have any idea.

18 Q. Did you manage any money for them like you did for
19 the Plylers?

20 A. No.

21 Q. Was any money held at the Palmetto State Bank to be
22 managed for their well-being?

23 A. Not that I recall.

24 Q. Was any money managed for those six minor children
25 after their mother had died in a car accident?

1 A. Yes. I did not personally manage it. I set up the
2 structured settlements through Forge.

3 Q. But those annuities wouldn't mature until the kids
4 turned 18, right?

5 A. Sure.

6 Q. So they weren't going to get any money managed by
7 you --

8 A. No, ma'am.

9 Q. -- while the kids were all minor, six children?

10 A. That's correct.

11 Q. The disbursement sheet says that Palmetto State Bank
12 was supposed to receive \$1.325 million to pay a structure per
13 client request. You were supposed to manage \$1.325 million
14 for the benefit of those six minor children until their
15 annuities matured; isn't that correct?

16 A. What the settlement sheet says, yes, ma'am.

17 Q. And instead of doing that as you were required as
18 personal representative, you transferred the funds as Alex
19 directed you to transfer them?

20 A. I never received the funds.

21 Q. You received the checks that he asked you to tell
22 Jeannie to re-cut, correct?

23 A. I never received a check for a million 325 as would
24 come from the law firm, as came when Hannah Plyler or
25 whoever, Williams. They would be cut Russell Laffitte as

1 conservator, Russell Laffitte as PR, or whatever. I never
2 received a check for that amount.

3 Q. You received the checks that you listed in the
4 amounts to Alex to tell Jeannie from the trust account?

5 A. That's correct.

6 Q. Directly to Palmetto State Bank, right?

7 A. I received those checks that he had asked about.
8 And when he came in and he would say, you know, do this,
9 this, this. He was my attorney, so why would I not do it?

10 Q. And the memo line of every single one of those
11 checks references the estate of Donna Badger?

12 A. Yes. I never saw it.

13 Q. So you are collecting \$35,000 in fees to manage
14 money, and you don't even look at the memo line that
15 referencing your -- the estate?

16 A. Memo lines are for the writer of the check so they
17 can remember what it was for.

18 Q. And instead of managing that 1.325 for those six
19 minor children, you distribute the money at Alex's direction?
20 Let's go over how you negotiated every single one of those
21 checks. Okay?

22 \$388,687.50 to Johnnie Parker, who is another lawyer
23 at PMPED; is that correct?

24 A. That's correct.

25 Q. Do you know what the 383,000 was for?

1 A. I assume it's to pay a loan.

2 Q. In February of 2013, you negotiated \$151,726.05 into
3 Plyler's account, that's correct, to pay off the loans?

4 A. Yes, ma'am.

5 Q. From a check that referenced the estate of Donna
6 Badger?

7 A. Yes, ma'am.

8 Q. Again in February, that same day, \$75,000 money
9 order to Randolph Murdaugh, III, you negotiated that check
10 too?

11 A. Yes.

12 Q. Then we have a bunch of checks that were dated
13 September 13th of 2013. And I'm just going to go over those
14 for you. Three checks, each totaling \$101,369.49, two of
15 which were deposited into Plyler's account to pay off loans.
16 One was a money order to Plyler for a loan payment for
17 \$7,500, and a money order -- excuse me. A money order almost
18 for \$10,00 for Plyler and a 7,500 money order to Maggie
19 Murdaugh, who is Alex's deceased wife, correct?

20 A. Correct.

21 Q. And then there are three more checks, each totaling
22 \$50,684.75. And you negotiated those checks, a wire transfer
23 to Southern Crane for \$49,500, with some cash back for Alex
24 Murdaugh. You deposited over \$50,000 into his personal
25 account from the estate of Donna Badger, a wire to 4M Iron

1 LLC for \$34,000? Can you answer, I'm sorry, verbally for the
2 record, Mr. Laffitte?

3 A. Yes, ma'am. You hadn't stopped, so I couldn't
4 answer.

5 Q. Thank you. I will go more slowly and let you
6 answer.

7 A. That's all right.

8 Q. You deposited \$50,684.75 into Murdaugh's account,
9 personal account; is that correct?

10 A. Yes, ma'am.

11 Q. You deposited \$50,000 -- excuse me. You sent a wire
12 to 4M Iron, LLC for \$34,000; is that correct?

13 A. That's correct.

14 Q. A money order for \$8,200 to Eddie Smith?

15 A. That's correct.

16 Q. And cash back to Murdaugh for little over \$8,000; is
17 that correct?

18 A. Something like that, yes, ma'am.

19 Q. You sent a money order for \$29,000 to Honeycreek
20 Motors?

21 A. That's correct.

22 Q. You made a \$33,000 deposit again into Murdaugh's
23 personal account, correct?

24 A. Yes, ma'am.

25 Q. You made another \$33,000 transfer into Plyler's

1 account to pay off loans, correct?

2 A. Yes, ma'am.

3 Q. And then in May of 2014, you transferred one
4 \$50,684.75 and one \$101,349 in Murdaugh's account in another
5 bank; is that correct?

6 A. I put it there?

7 Q. You negotiated the check that transferred it into
8 his personal account at another bank; is that correct?

9 A. I'm not sure. Maybe I did. I don't know.

10 Q. Let's talk a little bit about Palmetto State Bank's
11 arrangements with Alex Murdaugh and the other lawyers at
12 PMPED. So traditionally most of the world pays their
13 mortgage monthly, right, their loans monthly?

14 A. That's correct.

15 Q. That's not the arrangement that Palmetto State Bank
16 had with Alex Murdaugh or the other lawyers; is that correct?

17 A. Alex Murdaugh paid his monthly, even though he
18 typically would pay annually. He would make all the payments
19 in January or February, but --

20 Q. So you would allow him to pay on an annual basis?

21 A. Yes, ma'am.

22 Q. And why is that?

23 A. Because most of their money would come in. I mean,
24 they earned a salary, but most of the money came in January
25 and February, December to February, somewhere, whenever they

1 closed the books.

2 Q. So it was typical that Alex, along with the other
3 lawyers, would come to the bank after the year end with their
4 bonuses based on however they had done that year, and they
5 would pay down their loans at that point, right?

6 A. Yes.

7 Q. Were there any difference between the checks that
8 were salary versus checks that came out of a trust account
9 for a client?

10 A. I have no idea.

11 Q. In colors, you don't recall any difference in
12 colors?

13 A. I have no idea.

14 Q. So when Alex shows up with a Badger settlement of
15 1.325 not at your end --

16 A. He didn't.

17 Q. You know he doesn't get paid in February and March
18 and September and May?

19 A. He never showed up with a \$1.325 million check.

20 Q. When he asked you to re-cut a check totaling 1.325,
21 you know he's not supposed to show up with \$1.325 million
22 because you had years of business with Alex?

23 A. I don't know what Alex is doing at the law firm. I
24 don't know if he's borrowing money or gets his fees that he's
25 earned. I don't have any idea. I'm sure he told me

1 something at the time. I don't know. I mean --

2 Q. But you know that it's typical for the lawyers to
3 come with their bonuses at the end of the year?

4 A. Yes.

5 Q. It is not typical for a lawyer to show up with
6 \$1.325 million in the middle of the year?

7 A. It all depends. I mean, no, they get their money in
8 the beginning.

9 Q. And you, as the PR for Donna Badger, had a duty to
10 figure out where that money was coming from and what it was
11 to be used for?

12 A. I had a duty to protect her.

13 Q. And those funds, correct?

14 A. I never received the funds.

15 Q. You saw the disbursement sheet that you were
16 supposed to receive \$1.325 million to manage a structure per
17 the client's request?

18 A. That's correct.

19 Q. When Alex e-mails you about that \$1.325 million,
20 instead of funding a structure, you wired out to all sorts of
21 people at Alex's direction?

22 A. I listened to my attorney when he brought in checks
23 and I did what he asked me, yes.

24 Q. You say that Alex is your attorney?

25 A. Yes.

1 Q. Alex represents the personal injury clients.

2 A. That's right, but once I'm conservator or PR, I take
3 the place of the personal injury client.

4 Q. You have a separate duty to manage their money,
5 correct?

6 A. Correct. But I am in the stead of personal injury
7 clients, so he becomes my attorney.

8 Q. Okay. Let's move on to Hakeem Pinckney and Natasha
9 Thomas. So they were both involved in an, again, a very
10 serious car accident. Hakeem Pinckney later dies. Natasha
11 Thomas is severely injured as a result of that accident. And
12 they both receive millions of dollars following the
13 settlement in civil claims; is that correct?

14 A. Yes.

15 Q. And you were appointed to serve as their
16 conservator?

17 A. That's correct, yes.

18 Q. How many times did you meet Hakeem Pinckney and
19 Natasha Thomas?

20 A. I don't recall.

21 Q. Did you ever meet Hakeem Pinckney?

22 A. I don't think I ever met Hakeem Pinckney.

23 Q. Did you ever meet Natasha Thomas?

24 A. I'm sure I did in court.

25 Q. In court you think you met her?

1 A. I would think.

2 Q. And you collected \$60,000 for managing -- for what
3 was supposed to be managing Hakeem Pinckney's money, but you
4 never met him?

5 A. No.

6 Q. And you received \$15,000 for Natasha Thomas, but you
7 never met her; maybe in court?

8 A. That's correct.

9 Q. And you never managed any money for them, did you?

10 A. Never.

11 Q. All right. Let's talk about their disbursements
12 sheets. We will start with Hakeem Pinckney's disbursements
13 sheets. You signed that disbursement sheet, correct?

14 A. I did.

15 Q. According to that disbursement sheet, you were to
16 receive \$60,000 in a conservator fee?

17 A. Yes, ma'am.

18 Q. And also according to that disbursement sheet, you
19 were to receive as their conservator and an official of
20 Palmetto State Bank \$309,581.46; is that correct?

21 A. I agree with that, yes, ma'am.

22 Q. Let's talk about Natasha Thomas's disbursement
23 sheet. You were going to get a \$15,000 conservator fee. And
24 then you were, as an excessive of Palmetto State Bank and
25 Natasha Thomas's conservator, to get a check for \$325,000?

1 A. Yes, ma'am.

2 Q. Did you receive those checks?

3 A. I did not. I-- well, sort of, but no.

4 Q. You received those checks, but you just did not
5 manage them for the benefit of Natasha Thomas or Hakeem
6 Pinckney like you were supposed to do, correct?

7 A. No, I didn't. I listened to my attorney, and he
8 said do this, this, and this with these checks. I didn't
9 know what these checks were for, because they were not made
10 by Palmetto State Bank versus being made out to Russell
11 Laffitte as conservator, which is how they should have been.

12 Q. But the memo line of those checks referenced Hakeem
13 Pinckney and Natasha Thomas, correct?

14 A. Correct.

15 Q. And you had a duty to manage the money that you were
16 supposed to receive per these signed disbursement sheets?

17 A. That's correct.

18 Q. What did you think had happened with the 325 and
19 309?

20 A. I had no idea. That's why I turned in the zero on
21 all annual accountings to the probate judge.

22 Q. So you signed a disbursement sheet saying that you
23 were supposed to get over 300,000 for each of these
24 individuals?

25 A. That's correct.

1 Q. And you never asked any questions about where this
2 money was?

3 A. I didn't know what happened. I knew we had never
4 received the funds, so --

5 Q. But coincidentally, you received checks matching
6 these exact amounts?

7 A. Yes.

8 Q. And you negotiated those checks again at Alex's
9 direction?

10 A. That's correct.

11 Q. Let's just go over how some of these funds were
12 spent. \$10,000 to Alex E. Murdaugh, correct?

13 A. Yes.

14 Q. \$9,500 money order?

15 A. Yes, ma'am.

16 Q. \$920 principal payment to loan for Murdaugh
17 Charters. What is Murdaugh Charters?

18 A. I assume it's his boat.

19 Q. \$3,137 interest payment again to Murdaugh Charters;
20 is that correct?

21 A. That's right.

22 Q. \$100,000 money order to Charlie Laffitte. Charlie
23 is your father; is that correct?

24 A. That's correct.

25 Q. And he is, as you testified, the chairman of the

1 board. What do you know about this \$100,000 money order from
2 December 2011?

3 A. My father had loaned -- personally loaned Alex the
4 money and he was paying him back.

5 Q. Why did your father, as chairman of the board of a
6 bank where Alex has millions of dollars in loans outstanding
7 have to give him a personal loan?

8 A. I don't think he had to give him a personal loan.

9 Q. Why did he give him a personal loan?

10 A. You'd have to ask him.

11 Q. So you do not -- you're testifying you do not know
12 why your father extended \$100,000 personal loan to Alex
13 Murdaugh?

14 A. I assume he wanted to help him.

15 Q. Why did Alex need help?

16 A. He was probably overdrawn. I have no idea. You'd
17 have to ask --

18 Q. That's correct. So months before you extended loans
19 from the Plyler account, Alex was in overdraft, right?

20 A. Alex was in overdraft regularly.

21 Q. All the time.

22 A. Right.

23 Q. And at that point, your father decided to extend him
24 \$100,000 to cover his overdraft, personal loan?

25 A. No, ma'am.

1 Q. No that's not what happened?

2 A. No, ma'am.

3 Q. So what happened?

4 A. He loaned him 125,000. And you'd have to ask him
5 why he did it.

6 Q. But you said that Alex was in overdraft at the time?

7 A. I'm saying that I would assume that he might have
8 been. I don't know. I'd have to see the accounts at that
9 time.

10 Q. Okay. So that really is what sets up these loans
11 from the Plyler account, because Charlie Laffitte can't
12 bankroll Alex Murdaugh personally, but Hannah Plyler can; is
13 that correct?

14 A. No, ma'am.

15 Q. But you did allow Hannah Plyler to bankroll Alex
16 Murdaugh, correct?

17 A. I allowed him to borrow money from the
18 conservatorship.

19 Q. To pay off his overdraft?

20 A. To do as he chose with his loans.

21 Q. But you watched how he spent money, right? You
22 watched the accounts?

23 A. No. I don't know what caused his overdraft. You
24 know --

25 Q. You never looked to see what he was spending money

1 on?

2 A. I might have if it was something really frequently
3 or that I needed to know, but I didn't go through and pull up
4 his checks and see what he was spending money on all the
5 time. You make it look like I looked at his accounts every
6 day. I didn't do that.

7 Q. But you just saw that he was thousands of dollars in
8 overdraft?

9 A. That's correct.

10 Q. The rest of the money from Hakeem Pinckney and
11 Natasha Thomas, \$50,000 and some change, money order to you
12 as conservator for Plyler, that was, again, paid -- used to
13 pay off some of the Plyler loans; another \$91,000 and some
14 change money order to you as conservator for Plyler to pay
15 off some of these loans; a \$329,000 money order to Randolph
16 Murdaugh deposited in his personal account; is that correct?

17 A. That's right.

18 Q. And then a \$40,000 money order payable to you as
19 Malik Williams's conservator, correct?

20 A. That's correct.

21 Q. Because you had extended loans from Malik Williams's
22 conservator account to Alex Murdaugh. I want to talk about
23 the \$25,000 settlement check that Natasha Thomas received
24 that you negotiated, correct?

25 A. (Inaudible.)

1 Q. So on August the 20th, 2012, you give out cash back
2 to an unknown person. Who was that?

3 A. I assume that it was Alex Murdaugh.

4 Q. So Alex shows up with a \$25,000 check, and you give
5 him \$9,000 cash back?

6 A. Where do you see it? He must have asked for that.
7 Yes, ma'am.

8 Q. Why would he -- why did you understand him to be
9 asking for \$9,000?

10 A. I didn't understand why he was asking for \$9,000.

11 Q. What happens when someone gets, say, \$11,000 in cash
12 back?

13 A. We would report it to -- I can't even remember what
14 it's called now.

15 Q. It triggers reporting, correct?

16 A. Yeah, triggers a report.

17 Q. So when you structure payments under \$10,000, it
18 avoids reporting requirements; is that correct?

19 A. That's correct.

20 Q. Commonly referred to as structuring.

21 A. But if we think it's structuring, then we report it
22 also.

23 Q. So on August 20th, 2012, you give Alex \$9,000 from
24 the \$25,000 check. And then 9 days later, there's a money
25 order for \$16,285.08. What's that?

1 A. Money order.

2 Q. At Alex's direction?

3 A. I would assume, yes, ma'am.

4 Q. And then the following day, that 16,000 and some
5 change money order is then cashed out by an unknown person
6 again for \$9,000. Who was that?

7 A. I assume it was Alex Murdaugh.

8 Q. And the same day, there was a second money order
9 from the original 16,000 for 7,000 and some change, again for
10 Alex Murdaugh?

11 A. Right.

12 Q. So you assisted him in negotiating checks to avoid
13 reporting requirements?

14 A. Not intentionally, no, ma'am.

15 Q. But you are a bank excessive.

16 A. Yes, ma'am.

17 Q. You know your structuring laws. You know your
18 reporting requirements, correct?

19 A. I do know the reporting requirements, yes.

20 Q. And you knew that by breaking this check up in that
21 way, you were avoiding reporting requirements; is that
22 correct?

23 A. No, ma'am. I did what he asked me. You know, he
24 asked me to come in -- typically when Alex Murdaugh would
25 come in, it was always a big to-do. Just would have to know

1 Alex. You know, when he came in, he was always rushing and
2 say, look, I need this, and we would do it.

3 Q. So you just didn't ask any questions?

4 A. No, no, very rarely.

5 Q. Let's talk about when you were appointed to become
6 conservator for Natasha Thomas. Do you remember signing a
7 petition for the probate court to have you appointed?

8 A. I don't remember signing it, but I'm sure I did.

9 Q. If I showed you a document, would it maybe refresh
10 your recollection?

11 A. I would assume that I signed it. I had to sign it.

12 Q. Do you remember signing a petition that stated that
13 Natasha Thomas was 15 years old?

14 A. No.

15 Q. Just review that quickly, specifically the first and
16 third pages.

17 A. Could you give me my glasses, please? What am I
18 looking at?

19 Q. The first and the third pages, specifically you will
20 see where you stated what Natasha Thomas's age was.

21 A. Natasha Thomas, age 15, date of birth 6/5/1997,
22 Social Security number --

23 Q. Look on page 3, if you will, where you signed it in
24 two portions.

25 A. Correct. I signed it.

1 Q. Okay. All right. Those two portions that you
2 signed, one is the verification portion that you swear that
3 the facts in this statement are true to the best of your
4 knowledge, information, and belief. And that includes that
5 Natasha Thomas was 15 years old at the time?

6 A. Yes.

7 Q. And the second portion you signed is the
8 qualification and statement of acceptance under which you
9 agreed to perform the duties as the conservator for Natasha
10 Thomas?

11 A. Correct.

12 Q. At the time Natasha Thomas was actually 18 years
13 old, wasn't she?

14 A. I don't know that.

15 Q. Because you never met her?

16 A. I'm not sure. I think I probably met her in court.

17 Q. You didn't know that she was 18 at the time that you
18 swore to the probate court the facts were accurate?

19 A. I didn't -- I didn't type that up. That was brought
20 and handed over to sign it, but, yes, I did sign it.

21 Q. And you swore that she was 15 when, in fact, she was
22 18 years old?

23 A. Yes, because I signed it.

24 Q. And the significance of that misrepresentation to
25 the court is that had you been truthful about her age, you

1 would not have been appointed to serve as a conservator
2 because she was 18 years old?

3 A. To the best of my knowledge, when I signed it, that
4 was correct. I didn't fill it out.

5 Q. Did you do anything to determine what her actual age
6 was as her conservator?

7 A. My lawyer brought those forms over. Said, hey, I
8 need you to be conservator. And I went, looked at it. He
9 said, this is what I need. And I signed it.

10 Q. You had a duty -- you owe a duty to Natasha Thomas,
11 not to Alex Murdaugh. You owe a duty to Natasha Thomas?

12 A. I do.

13 Q. And you didn't do anything to determine, as you
14 swore, that she was actually 15 years old?

15 A. I did not check her I.D.

16 Q. And you did what Alex Murdaugh needed you to do so
17 that he could steal her money, and you collected fees to do
18 so?

19 A. No, ma'am.

20 Q. You collected fees, not even determining if she was
21 18?

22 A. I didn't collect fees. I did not in any way, shape,
23 or form do anything to assist Alex Murdaugh to steal from
24 her.

25 Q. You swore to the Court that she was 15 when she was

1 really 18.

2 A. I did not know she was 18.

3 Q. You swore to the Court.

4 A. I did. I am not arguing that fact.

5 MR. DANIEL: Your Honor, I object. She's asked it
6 four times and he's given the same answer each time.

7 THE COURT: I will agree. Move on, Counselor.

8 MS. LIMEHOUSE: Thank you, Your Honor.

9 BY MS. LIMEHOUSE:

10 Q. Had you not lied to the Court for Alex Murdaugh, he
11 would not have been able to steal the money because you would
12 not be the conservator?

13 A. He would not have been able to steal it. I will
14 agree with that. But I did not do it intentionally. I did
15 not know.

16 Q. All right. Let's talk about the summer of 2021.
17 Okay?

18 A. All right.

19 Q. All right. So June of 2021, what is Alex's
20 financial picture with Palmetto State Bank?

21 A. He's got his loans. That's all I remember.

22 Q. How much?

23 A. I don't know.

24 Q. What's happening with that?

25 A. Over a million dollars. I'm trying to think what --

1 I don't know exactly the financial picture in June of 2021.

2 Q. Safe to say, millions of dollars in loans from
3 Palmetto State Bank?

4 A. That's correct.

5 Q. What was happening with that line of credit that was
6 initially \$500,000? What happened to that line of credit?

7 A. It was increased to a million dollars at some point
8 later on.

9 Q. So he still owed money, substantial amount of money
10 on that initial line of credit?

11 A. Yes, ma'am.

12 Q. How about his personal accounts?

13 A. He was overdrawn, I believe.

14 Q. By how much?

15 A. I don't recall, but it was a lot, because he was
16 supposedly working on his house in Edisto.

17 Q. A lot to me can be \$50 on an overdraft. What is a
18 lot to you on an Alex Murdaugh overdraft?

19 A. This is hundreds of thousands.

20 Q. Hundreds of thousands of dollars in overdraft, okay,
21 in summer of 2021. Alex's wife and son were murdered,
22 correct?

23 A. That's correct.

24 Q. And Alex comes to you desperate for money?

25 A. I'm not sure if he came to me or my father, but he

1 came to us. He came to Palmetto State Bank.

2 Q. Desperate for money?

3 A. I don't think he was desperate, no.

4 Q. How would you describe him?

5 A. He came, told me he was working on his house. When
6 I talked to him, I just don't know who the initial
7 conversation was. It was either my father or myself. But he
8 said he was working on his house, because we had been calling
9 him about his overdrafts.

10 Q. You and your father had both been contacting him
11 about his substantial overdrafts?

12 A. I'm not sure if my father contacted him, but I
13 definitely contacted him.

14 Q. You had definitely contacted him about this more
15 than \$100,000 in overdraft?

16 A. Yes.

17 Q. And he tells you he's in desperate need of cash?

18 A. No, ma'am.

19 Q. What does he tell you?

20 A. Tells me he's working on his house and wants to know
21 if we can do a loan. He said he needed \$750,000 for
22 something. Actually, I think he started out at 500, and then
23 he changed it to 750. But, regardless, it ended up being a
24 \$750,000 loan. And we started working on that.

25 Q. Okay. So a man whose wife and son were just

1 brutally murdered, who is hundreds of thousands of dollars in
2 overdraft, owing the bank millions of dollars, comes to you
3 for cash to fix up his house?

4 A. He was -- to my knowledge, it was already a work in
5 progress prior to the murders. I don't -- can't say that
6 that timeline is perfect, but --

7 Q. So it's a priority of Alex Murdaugh to renovate the
8 beach house under these circumstances?

9 A. I don't know what his priorities were.

10 Q. Enough for you and your father to decide to loan him
11 money from Palmetto State Bank?

12 A. Yes, ma'am.

13 Q. All right. Let's talk about July the 15th, \$350,000
14 rider transfer. Tell me about that.

15 A. Alex called or came by and asked me to wire Chris
16 Wilson Law Firm \$350,000.

17 Q. And this is before or after he's told you that he
18 needs money for his beach house?

19 A. This is after. We were already well working towards
20 the loan.

21 Q. So what does \$350,000 to Chris Wilson have to do
22 with renovating a beach house?

23 A. I have no idea.

24 Q. I mean, you're -- the bank's money, you were the CEO
25 of the Palmetto State Bank, and you are not going ask why

1 this money is going to Chris Wilson?

2 A. No, ma'am.

3 Q. You are just going to give it to Alex, \$350,000?

4 A. No, ma'am. I had given Alex \$750,000. And he asked
5 to send 350 to Wilson Law Firm, which is his right because it
6 is to be his money, so I sent it to him.

7 Q. It is the bank's money, correct? It is Palmetto
8 State Bank's money?

9 A. Once he signs the loans, which he had not at that
10 time, but once he signs the loan documents, it is his money.

11 Q. He had not signed the loan documents and he doesn't
12 for six weeks later, correct?

13 A. That is correct.

14 Q. And you don't ask any questions about this \$350,000?

15 A. No, ma'am.

16 Q. When he's hundreds of thousands of dollars in
17 overdraft, you just wire the money to Chris Wilson Law Group?

18 A. Uh-huh.

19 Q. All right. So the next thing that happens after
20 this 350 wire transfer is that Alex continues to accrue
21 hundreds of thousands of dollars in overdraft?

22 A. Correct.

23 Q. And bank employees come to you every day with that
24 report saying Alex is more and more in overdraft, more and
25 more in overdraft?

1 A. They didn't come to me every day. The report is
2 there and I see it every day.

3 Q. And where is this money going?

4 A. I would have to go look, but a lot of it went to
5 Eddie Smith.

6 Q. Did you ever ask any questions?

7 A. Yes.

8 Q. To whom?

9 A. Well, my father and I discussed it. And we assumed
10 that Eddie Smith, being that it was an once-a-week check, was
11 his contractor. Because he also said, hey, I'm working on my
12 beach house, remodeling. So, typically, contractors get paid
13 weekly. And so -- but after a while, you know, we kept
14 saying -- my father asked me to call Reid Pollard, the CEO of
15 Enterprise Bank. I called Mr. Pollard and said: Reid, this
16 is Russell Laffitte. We have a customer of ours that's
17 depositing checks -- writing checks that are being deposited
18 at your bank. Who is Eddie Smith? He didn't know who it
19 was.

20 Q. Did you ever ask Alex who Eddie Smith was?

21 A. No.

22 Q. But you continued to allow him to accrue hundreds of
23 thousands of dollars in overdraft by writing checks to Eddie
24 Smith and never asked him a question?

25 A. That's correct.

1 Q. So while he's now over 350 grand in overdraft --

2 A. Correct.

3 Q. -- August 9th comes. What happens on August the
4 9th?

5 MR. DANIEL: What happened when?

6 Q. August the 9th?

7 A. I have no idea.

8 Q. The board starts asking questions, don't they?

9 A. I really don't know. I don't know what August the
10 9th was.

11 Q. On August the 9th, you received an e-mail from
12 Norris Laffitte, who is a member of the Palmetto State Bank
13 Board, correct?

14 A. That's correct.

15 Q. And he wants to see a full financial picture of the
16 bank's exposure regarding Alex Murdaugh?

17 A. Yes, ma'am.

18 Q. And that's because of all of the press coverage
19 that's covering all this stuff that's going on with Alex
20 Murdaugh, correct?

21 A. That's correct.

22 Q. Within hours, you access Alex's account, right?

23 A. Yes.

24 Q. And what --

25 A. Some of our internal investigators did, yes.

1 Q. And what do you see?

2 A. What do you mean, what did I see?

3 Q. You see that Alex is more than \$350,000 in overdraft
4 within hours of the board asking what the full financial
5 picture looks like?

6 A. That's correct.

7 Q. And what do you do at that point?

8 A. Transfer the balance that is owed on his loan.

9 Q. You transfer \$400,000 to cover the entirety of that
10 overdraft?

11 A. Yes, ma'am, because that is what the laws permit me
12 to do.

13 Q. At that point there's not a single signed loan
14 document acknowledging this \$750,000 loan?

15 A. That's correct.

16 Q. There's not a single record within the bank when you
17 wire that \$400,000 memorializing this agreement that you had
18 with Alex to extend \$750,000?

19 A. There's no signed documents, no signed loan
20 documents. I mean, in community banking, that is not --
21 maybe on a scale of that size, that's unusual. But to
22 advance funds prior to getting loans signed is not
23 necessarily uncommon.

24 Q. Were there any records that show that you had
25 decided to loan him \$750,000 prior to August the 9th, any

1 records?

2 A. I'm sure there were some e-mails and maybe
3 handwritten notes or something, but I did not sign the loan.
4 I could not loan Alex Murdaugh money alone.

5 Q. We will talk about the decision in just a minute.

6 MR. DANIEL: Talk about what? I'm sorry.

7 MS. LIMEHOUSE: The decision and who made it in just
8 a minute.

9 BY MS. LIMEHOUSE:

10 Q. After you access this account and wire the \$400,000,
11 you then direct bank employees to start to create a record of
12 a \$750,000 loan to Alex Murdaugh, correct?

13 A. I told them to get the documents and let's get it
14 signed.

15 Q. And you direct them to backdate those documents?

16 A. Backdated it to the date of the \$350,000 advance,
17 yes, ma'am.

18 Q. You direct them to backdate it to July the 15th to
19 that 350 wire to Chris Wilson?

20 A. That's correct.

21 Q. And you had them start creating the paperwork to
22 memorialize this loan to Alex Murdaugh?

23 A. That's correct.

24 Q. What was the type of loan that was extended,
25 according to the documents?

1 A. I'm sure it's commercial loan.

2 Q. Why would it be commercial if it's to renovate his
3 beach house?

4 A. Regulatory burden, but I don't know that it's a
5 commercial loan, because it was going to be -- originally, it
6 was going to be a second mortgage on his beach house and a
7 share of Green Swamp to collateralize it. Kevin Brown, an
8 attorney, a real estate attorney in Hampton, did the -- when
9 we got ready to go to closing, and found out that the house
10 was in his and Maggie's name. So he could not mortgage,
11 because Maggie's estate had not been opened. And so at that
12 point, we decided to do it with share of Green Swamp stock,
13 and the balance unsecured, the rest unsecured until we could
14 get that secured.

15 Q. So the \$750,000 loan was secured only by Alex's
16 shares at Green Swamp, which is a hunting property, correct?

17 A. Correct.

18 Q. And was the share already used as collateral in any
19 bank loans that Alex had?

20 A. Yes.

21 Q. How many?

22 A. I don't know. Several.

23 Q. Several loans?

24 A. Uh-huh.

25 Q. What was the value you would guess, estimate, you

1 were using of the one share of Green Swamp?

2 A. Probably between 200- and \$250,000.

3 Q. So this one share of Green Swamp was now
4 cross-collateralized with multiple loans at the bank?

5 A. Correct.

6 Q. And was the only security for the \$750,000 loan?

7 A. Correct.

8 Q. It was essentially an unsecured loan?

9 A. Sure.

10 Q. You essentially decided to bankroll Alex Murdaugh
11 yet again?

12 MR. DANIEL: Bankroll?

13 MS. LIMEHOUSE: Alex Murdaugh yet again?

14 THE WITNESS: It was not -- I could not loan --

15 Q. Okay. Let's talk about bank policy at the time
16 then. You were a member not only of the board but the
17 executive committee, correct?

18 A. That's correct.

19 Q. And the executive committee is five members,
20 correct?

21 A. That's correct.

22 Q. Four voting members?

23 A. Correct.

24 Q. And the duties of the executive committee are to
25 manage large loans from the bank to decide whether to extend

1 those loans. And those members were you, your father,
2 Charlie Laffitte, your sister, Gray Henderson, Scott Swain,
3 who was a nonvoting member, correct, and Jan Malinowski who
4 was a voting member?

5 A. That's correct.

6 Q. And board -- or excuse me, policy at the bank at the
7 time allowed for the approval of a loan of three of those
8 voting members?

9 A. Had to be majority.

10 Q. Majority, correct?

11 A. That's correct.

12 Q. And so you and your dad and your sister could always
13 be a majority on the executive committee, correct?

14 A. Yes, if we all agreed.

15 Q. Okay. So prior to the July 15th 350 wire transfer,
16 there had been concerns about you and your sister and your
17 dad not bringing loans to the full executive committee,
18 correct?

19 A. That's correct.

20 Q. And prior to the 350 wire transfer, the executive
21 committee had decided you were no longer going to be the
22 three of y'all voting to extend a loan and not presenting it
23 to the executive committee, correct?

24 A. I don't know.

25 Q. Prior to the July 15th transfer, your father brought

1 numerous loans that y'all had approved without putting it
2 before the full executive committee and notified them of that
3 information, correct?

4 A. We knew that we had a breakdown in our -- the way we
5 were dealing with loans approved.

6 Q. So y'all knew that the executive committee had
7 specific concerns about you and your father and your sister
8 approving loans without the full committee's knowledge?

9 A. No. I think they were worried about how it was
10 being reported. So we started -- we were working through
11 some changes. We were trying different things, trying to
12 make it work, make sure everybody was notified. So that is
13 what we were working through. And there was an issue that we
14 had internally as a bank trying to go through it.

15 Q. So in July when this wire transfer goes out, the
16 executive committee met that month, right?

17 A. Yes.

18 Q. There's no mention from you or your father or your
19 sister of this 350 wire transfer to Alex Murdaugh?

20 A. I don't believe it went to the executive committee
21 at that time.

22 Q. There's no mention of a \$750,000 loan to Alex
23 Murdaugh during the executive committee meeting?

24 A. I assume that is correct.

25 Q. So the only people who know about this loan

1 according to your testimony at the time were you and your
2 sister and your Dad?

3 A. That's correct.

4 Q. Despite y'all having internal issues with loans not
5 being presented to the full executive committee?

6 A. Yes.

7 Q. The executive committee again meets in August,
8 correct?

9 A. That's correct.

10 Q. That was August the 12th, 2021; is that right? So
11 that's three days after you wire \$400,000, and three days
12 after you directed bank employees to start to create
13 documents to memorialized the \$750,000 loan to Alex Murdaugh,
14 correct?

15 A. Yes.

16 Q. And what do you tell the executive committee at that
17 time about this loan?

18 A. I have no idea.

19 Q. Did you tell them about the \$350,000 wire transfer?

20 A. I'm sure I told them about the \$750,000 loan, what
21 he was doing and what he was wanting the money for, yes,
22 ma'am.

23 Q. Did you tell him that the \$350,000 went to the Chris
24 Wilson Law Group?

25 A. No. That would have been a detail that wouldn't

1 have crossed my mind.

2 Q. The purpose of the loan, the purpose of the loan,
3 you didn't share them -- share with them the purpose, how
4 that money was actually used?

5 A. I don't know what he and Chris Wilson were doing.

6 Q. Alex comes to you in need of money. It's the bank's
7 money. You have a right to know the purpose for that use of
8 those funds, correct?

9 A. If I asked him, yes. He told me -- but I did. He
10 had already said he was doing some work on his house and
11 doing other things, you know. Alex would always give some
12 story. And so then we advance the funds as our customer
13 requests.

14 Q. But you didn't tell anything about this 350 wire
15 transfer to the executive committee? Did you tell them
16 anything about you transferring \$400,000 after receiving an
17 e-mail from Norris Laffitte?

18 A. I don't remember whether I did that afterwards. I
19 know by the dates and times of the e-mail and things. I just
20 don't know when I had actually read the e-mail or what. But
21 I do know that it happened that same day or within hours.

22 Q. But did you discuss the specific use of the funds
23 with the executive committee?

24 A. We discussed in very high level. We don't -- I
25 mean, we wouldn't say, hey, y'all, I wrote a money order

1 today to John Doe for whatever. I mean, we wouldn't do that.
2 We'd just say, hey, we are doing this loan for such-and-such
3 and this is what it is and this is why we are doing it.

4 Q. Did you discuss the collateral?

5 A. Yes.

6 Q. What did you tell them about the collateral in the
7 August executive committee meeting?

8 A. I'm sure that I told them that we were using share
9 of Green Swamp stock. I'm sure I told them that we were
10 trying to get the second mortgage on the house. I just don't
11 know exactly when we found out that they weren't going to be
12 able to get a second.

13 Q. So the board has a meeting scheduled then for August
14 17th; is that correct?

15 A. 13th, or whatever that is.

16 Q. And at this point there are still no documents
17 signed to memorialize the \$750,000 loan, correct?

18 A. I am not going to argue. I'm not sure.

19 Q. So at this point, August the 17th, you are tasked
20 with creating a full financial picture of the bank's exposure
21 with relation to Alex Murdaugh for the board?

22 A. Yes.

23 Q. And what do you tell them about the \$750,000 loan?

24 A. I don't have any idea what I told them.

25 Q. Did you tell them about the collateral or lack of

1 collateral?

2 A. I'm sure I did.

3 Q. Did you tell them about the 350 wire to Chris
4 Wilson?

5 A. No.

6 Q. Did you tell them at the time he was hundreds of
7 thousands of dollars in overdraft?

8 A. I'm sure they knew.

9 Q. How do you think they knew?

10 A. Jan Malinowski, who is -- they discussed it. I'm
11 sure they did.

12 Q. Did you tell them about the \$400,000 that you
13 transferred to cover the 362 in overdraft?

14 A. No. We would have told them that there was a
15 \$750,000 loan.

16 Q. During that board meeting on August the 17th, did
17 board members ask questions about the specifics of this loan
18 to Alex Murdaugh?

19 A. I don't remember the specifics of the board meeting?

20 Q. Did anybody ask that you pull up the documents
21 memorializing this loan during that board meeting?

22 A. I don't recall.

23 Q. Were you able to show them any documents?

24 A. I couldn't have if I hadn't had any signed --

25 Q. Right, because there was nothing to memorize this

1 loan at that point, right? It had not been finalized?

2 A. I disagree with that.

3 Q. But the money had all been advanced; is that
4 correct?

5 A. That's correct.

6 Q. You provided ultimate report to the board that
7 includes all of Murdaugh's liabilities to the bank, correct?

8 A. No.

9 Q. Who provides that?

10 A. That list was provided by Charles Laffitte and it
11 was drawn up with Morgan -- I can't remember Morgan's last
12 name.

13 Q. Wood?

14 A. No.

15 Q. Peeples?

16 A. Peeples.

17 Q. All right. So in September, isn't it true that the
18 board is still asking questions about this loan? They still
19 don't know the specifics about this loan; is that right?

20 A. They were asking a lot of questions not just about
21 that, about everything.

22 Q. Because they have a right to know how the bank's
23 money is being spent; isn't that right?

24 A. They do have a right, yes.

25 Q. And you have a duty to tell them how the bank's

1 money is being spent?

2 A. Correct.

3 Q. And you had a duty to accurately report facts about
4 the bank's money to the board?

5 A. We tried to do that, yes.

6 Q. Tried? You had a duty as the CEO to be truthful to
7 the board; is that correct?

8 A. When was I not truthful?

9 Q. Well, on September the 2nd, Norris Laffitte sends
10 another e-mail asking about specifics related to the 750
11 loan, because he still doesn't know what this loan is about.
12 And he specifically asks you about the collateral. He says,
13 I now notice that the \$750,000 loan has only the Green
14 Swamp's share as collateral which does not cover the loan
15 especially if the share has been pledged elsewhere. Has it
16 been pledged elsewhere? And what's your response?

17 A. I don't know.

18 Q. You said the stock has not been pledged elsewhere.
19 That was not true?

20 A. I was wrong.

21 Q. That was not true, correct?

22 A. Well, I was wrong, yes.

23 Q. Because it had been? It had been --

24 A. Yes.

25 Q. -- used as collateral on multiple loans from Alex

1 Murdaugh?

2 A. We used his share many, many times over the years.

3 Q. But the board is asking questions and you do not
4 give them truthful answers about the nature of the collateral
5 that's supposed to secure this 750 loan?

6 A. I guess in that instance, no, I did not. But I did
7 not intentionally.

8 Q. You knew that Green Swamp was cross-collateralized
9 with multiple other loans, didn't you?

10 A. I knew that he had used that Green Swamp share many
11 times. I did not go back and verify that each of the loans
12 that it was used had been paid off or had been released or
13 whatever.

14 Q. The stock has not been pledged elsewhere is what you
15 specifically stated. You knew that that was not true?

16 A. I guess.

17 Q. Because you were the loan officer for all of Alex's
18 loans. You approved Alex's loans?

19 A. Yes.

20 Q. So with this \$750,000, the board, as of September,
21 never knew the true nature of the collateral securing this
22 loan, correct? Because you told them it hadn't been pledged
23 elsewhere, correct?

24 A. We had -- they knew the collateral for the loan was
25 a share of Green Swamp stock, which it was.

1 Q. The true nature of that collateral, that it had been
2 pledged elsewhere?

3 A. I'm not sure.

4 Q. You never told the board that you wired \$350,000 to
5 the Chris Wilson Law Group as part of this commercial loan to
6 Alex? You never told the board that, did you?

7 MR. DANIEL: Your Honor, I object only because that
8 was asked 25 or 35 minutes ago, very same question, what did
9 you wire to Chris Wilson, very same question.

10 THE COURT: Okay. And, Counselor, I didn't recall
11 the question. If she's repeated it, I will let that slide.

12 MS. LIMEHOUSE: I was asking about the reporting to
13 the executive committee. And now I'm asking about the
14 reporting to the board specifically.

15 THE COURT: Thank you for that clarification.

16 BY MS. LIMEHOUSE:

17 Q. You didn't mention to the board of the status of the
18 overdraft, ever?

19 A. I don't recall. No, I don't think I did, but I
20 don't recall.

21 Q. You never told the board that the hundreds of
22 thousands of dollars in overdraft were going to Eddie Smith?

23 A. No, ma'am.

24 Q. Did you tell the board that you had backdated all of
25 the loan documents to reflect the 350 wire transfer?

1 A. No, ma'am.

2 Q. And did you ever tell the board that you wired
3 \$400,000 within hours of receiving Norris Laffitte's e-mail
4 asking about the full financial picture?

5 A. I never wired the money. I just transferred it.

6 Q. Did you ever tell the board that you transferred
7 \$400,000 as part of this loan within hours of receiving
8 Norris Laffitte's e-mail?

9 A. As I stated earlier, I don't know anything about the
10 e-mail or when I read it or not. I don't know whether I was
11 told to go ahead and cover it. You know, my father, my
12 sister and I, we discussed what was going on in detail all
13 the time. It wasn't like one person's doing something. I
14 did not tell the board that, though. But, I mean, I wouldn't
15 have -- if I did it, which it looks like I did, but I
16 wouldn't have -- I mean, we funded the loan.

17 Q. Did your father know that \$350,000 went to Chris
18 Wilson?

19 A. Yes, ma'am.

20 Q. Did your father know that you transferred \$400,000
21 into Murdaugh's account to cover over \$350,000 in overdraft?

22 A. I'm sure he did.

23 Q. Why do you say that?

24 A. Because we would have discussed it.

25 Q. Did your father know the purpose, how this money was

1 being spent?

2 A. Yes, ma'am.

3 Q. All right. I want to talk about the \$680,000
4 payment to the firm PMPED. So we all know what happened in
5 September of 2021 with Alex Murdaugh, right?

6 A. Yes, ma'am.

7 Q. What happens internally with the bank at that point,
8 anything?

9 A. There were all kinds of things going on. We were
10 being sued and every other thing.

11 Q. In October of 2021, the law firm comes to you and
12 asks questions about the Badger money, right?

13 A. That's correct.

14 Q. And they show you all these checks that you
15 negotiated that referenced the estate of Donna Badger?

16 A. Yes.

17 Q. Asking you where this money went?

18 A. That's right. They asked me to do some research.

19 Q. Asked you to do some research?

20 A. Yes.

21 Q. At that point, you went to the law firm and you
22 agreed to pay \$680,000?

23 A. I took the research to the law firm. And lawyers
24 discussed it. I don't remember how long we discussed it for.
25 You know, we met several times. We knew we had a problem,

1 yes.

2 Q. And at that point, you decided on your own to write
3 a check for \$680,000 to the law firm to cover half of the
4 loss to the Badger estate?

5 A. Absolutely not.

6 Q. So tell me who was with you in making that decision.

7 MR. DANIEL: Can you repeat that question?

8 BY MS. LIMEHOUSE:

9 Q. Tell me who made that decision with you if you did
10 not unilaterally decide to do that.

11 A. Myself, my father, and my sister.

12 Q. You all agreed to pay the law firm \$680,000?

13 A. That's correct.

14 Q. Did they know that you had negotiated every single
15 one of the checks?

16 A. Yes, ma'am.

17 Q. Did they know that every single one of these checks
18 referenced the estate of Donna Badger?

19 A. You'd have to ask them that.

20 Q. Did you tell them?

21 A. I gave them copies of the checks.

22 Q. So you told them that you negotiated every single
23 one of these checks?

24 A. I never did not say I didn't negotiate --

25 Q. But did you tell them that you were the one who

1 negotiated every single one of these checks of stolen money
2 from Alex Murdaugh?

3 A. I don't recall. I'm sure, without a doubt, that I
4 told them, but you would have to ask them that.

5 Q. So according to your testimony, the three of y'all
6 decided to pay the law firm \$680,000?

7 A. That's correct.

8 Q. Did you notify the board before you paid the 680?

9 A. No, ma'am.

10 Q. Why not?

11 A. We didn't need to.

12 Q. Why not?

13 A. Bylaws, we had the authority to settle and operate
14 the bank. We thought it was in the best interest of the
15 bank.

16 Q. Tell me what those bylaws are that you claim allowed
17 you and your Dad and your sister to decide to extend bank
18 money without board notice or approval?

19 A. The bank's bylaws to the executive committee, which
20 the three of us would have the majority of the votes, allow
21 us to try to settle any kind of claims, operate the business,
22 spend any money, purchase land, purchase, sell, to operate
23 the business.

24 Q. So the bylaws allowed a majority of the executive
25 committee to decide to spend bank funds in this way without

1 notice or approval from the board?

2 A. Yes, ma'am.

3 Q. Okay. So you and your Dad and your sister decided
4 to pay \$680,000 of bank money to the firm?

5 A. We did. We thought that was the best thing.

6 Q. And after you did that, did you then give both the
7 executive committee and the board notice of this?

8 A. No, I wouldn't have given to exec -- I would have
9 sent it to the board, which would have included it in there.
10 I may have sent it to everybody. I'm not sure. But I
11 did send -- we did send it to the board.

12 Q. And in your notice to the board, you stated, "We
13 converted \$1,172,945.76 in checks made payable to PSB to
14 numerous other places as part of another stolen case
15 settlement?"

16 A. Right.

17 Q. When you say "we", did you ever tell the bank that
18 you were the one who personally converted all of those checks
19 at Alex Murdaugh's direction?

20 A. I'm sure I did. We, as Palmetto State Bank.

21 Q. You are saying you did tell the board that you were
22 the one --

23 A. I'm sure I did. I mean, I've never not -- first
24 time when I send it out, when I send out the documents, it
25 shows where all the funds went. So, yes, they were aware of

1 it.

2 Q. Did you ever tell them that you were the one who
3 served as personal representative for the estate whose funds
4 were stolen?

5 A. I don't recall. I don't know. I'm sure I did. I
6 have no idea.

7 Q. You don't know whether you told the bank whether you
8 served as personal representative?

9 A. I told them I served as personal representative
10 numerous times. I don't know what I told them the first
11 time, when I notified. I have no idea.

12 Q. So you are not sure whether you told the bank that
13 you were the one who negotiated these checks as PR to the
14 estate of Donna Badger?

15 A. I told them -- I did not negotiate them as PR for
16 Donna Badger. I was PR. Keep that in mind. I negotiated
17 those checks as an employee of the Palmetto State Bank. That
18 there is the "we", Palmetto State Bank.

19 Q. But you personally were the one who negotiated the
20 checks?

21 A. Yes, I did.

22 Q. Earlier you testified that you said that Hannah
23 Plyler was always paid back. That's not true, right?

24 A. She was paid back all of her money.

25 Q. You extended multiple loans to Alex Murdaugh that

1 were never paid back to Hannah Plyler, never?

2 A. I beg to differ. I would love to see it.

3 Q. You extended an \$8,000 loan to Hannah Plyler. The
4 records were not with the probate court. And Hannah was
5 never paid back?

6 A. She was.

7 Q. With whose money?

8 A. His money.

9 Q. His money?

10 A. His money.

11 MS. LIMEHOUSE: The Court's indulgence, Your Honor.

12 BY MS. LIMEHOUSE:

13 Q. Mr. Laffitte, you are personally employed by the
14 Laffitte Family Partnership, is that correct?

15 A. That's correct.

16 Q. And at least you stated to the Probation Office that
17 you expect to earn \$230,000 this year; is that correct?

18 A. No, ma'am.

19 Q. You did not tell the Probation Office that you
20 expect to make \$230,000 this year?

21 A. No. They passed what I was making as an employee of
22 the Laffitte Family Partnership as over \$7,000 a month. If I
23 made 230, that might be including dividends. We don't know
24 exactly where that 230 came from.

25 Q. Okay. So you, prior to your termination -- you were

1 terminated from the bank, correct?

2 A. Yes.

3 Q. Prior to your termination, what was your yearly
4 salary?

5 A. I believe it was 238, somewhere right in there.

6 Q. All right. So what is your total asset access
7 regarding your stocks at Palmetto State Bank?

8 A. Probably 6 million, something like that.

9 Q. Six million dollars in stock?

10 A. Yes.

11 Q. And you are making seven grand a month now to farm
12 the property?

13 A. Yes.

14 Q. And what does that employment entail?

15 A. I manage the timber because that's what we farm is
16 timber. Working on ditches, working on equipment, running
17 equipment, whatever needs to be done.

18 Q. And you are getting paid \$7,000 to do that?

19 A. Uh-huh.

20 Q. I'm going to go back to this 230, because there
21 seems to be --

22 MR. DANIEL: Go back to the where?

23 MS. LIMEHOUSE: \$230,000.

24 BY MS. LIMEHOUSE:

25 Q. There seems to be some issue about that amount. I'm

1 going to read from the pretrial services report. Okay?

2 The defendant has been employed with the Laffitte
3 Family Partnership farm in Estill, South Carolina since July
4 1st of 2022.

5 You do the farming and timber maintenance.

6 The defendant has two part-time employees and
7 advised that the firm operates Monday through Friday from 8
8 a.m. to 6 a.m. and 8 a.m. to noon on Saturdays. Laffitte
9 reported earning \$7,000 monthly and expects to earn \$230,000
10 annually.

11 MR. DANIEL: I'm sorry, \$230,000 what?

12 MS. LIMEHOUSE: Annually.

13 BY MS. LIMEHOUSE:

14 Q. You don't recall telling the Probation Office that
15 you were going to make \$230,000 this year?

16 A. If I made that, that's including -- assuming we get
17 dividends and any other things, yes.

18 Q. Okay. So your testimony is that --

19 A. I testified that I make \$7,000 from Laffitte Family
20 Partnership.

21 Q. And then that you have additional income that you
22 expect to earn in dividends from your assets at the Palmetto
23 State Bank?

24 A. I expect, but I'm not sure.

25 Q. But you expect to earn about \$230,000 in income this

1 year?

2 A. I hope. I doubt it. I hope.

3 MS. LIMEHOUSE: No further questions, Your Honor.

4 THE COURT: All right. Counselor, I will allow
5 redirect. I just want to note for the record we've been
6 going about two hours. And out of consideration for the
7 witness and our court reporters, depending on how much time
8 you think you may --

9 MR. DANIEL: I think the argument will take some
10 time, not the questions.

11 THE COURT: Well, if you think you can conclude your
12 questions fairly briefly, we will do that. And then I will
13 take a break for anyone who needs one. We will break after
14 this witness.

15 MR. DANIEL: Yes, Your Honor.

16 REDIRECT EXAMINATION

17 BY MR. DANIEL:

18 Q. Now, Ms. Limehouse asked you about the executive
19 committee and the board. Tell me about the executive
20 committee, were they familiar with Alex Murdaugh and his
21 financial dealings over the years?

22 A. All the members of the executive committee had been
23 familiar with Alex Murdaugh.

24 Q. They were familiar with his loan history?

25 A. Yes.

1 Q. That he had significant outstanding loans?

2 A. That's correct.

3 Q. And they were familiar with his overdrafts?

4 A. Yes.

5 Q. And they were also familiar, were they not, that the
6 bank got paid back every single time?

7 A. Yes.

8 Q. Now, we mentioned -- Ms. Limehouse mentioned these
9 overdrafts quite credulously, that you continued to loan Alex
10 Murdaugh money. He already had outstanding loans. You
11 already had overdrafts. You continued to do it. Did the
12 state or federal bank regulators, did they regularly audit
13 and examine the loan -- excuse me, the bank's records?

14 A. Yes, sir, they did.

15 Q. Did they ever raise the issue to you that you had
16 too much outstanding to Alex Murdaugh or that you had too
17 many overdrafts for Alex Murdaugh?

18 A. I don't recall them -- they would have absolutely
19 looked at them because he was one of our larger borrowers.
20 They would have looked at the large borrowers and large
21 people. We had to turn over an overdraft list to them and
22 all that. So they would have looked at his financials. I
23 just don't recall them ever really coming down.

24 Q. But they would have seen the same thing that your
25 board saw? He had always made good, right up until his

1 family got murdered?

2 A. That's correct.

3 Q. Now, Ms. Limehouse asked you about the loans for the
4 conservatorship. I believe you testified that you had
5 written notes or written forms you called them in every case?

6 A. I had them at some point. I could not find all of
7 them. I did not try to re-create or do anything after I
8 realized that I just --

9 Q. But did you have them at the time?

10 A. I would think so, yes.

11 Q. Okay. And did you file this information, the fact
12 that you were getting loan permission -- you sought
13 permission from the probate court for -- originally before
14 you loaned Alex Murdaugh any money or yourself any money out
15 of these?

16 A. That's correct.

17 Q. And all these loans that you made for the
18 conservatorship, that you took for the conservatorship, were
19 all fully secured by your bank stock?

20 A. That's correct.

21 Q. And did you file annual filing with the probate
22 court that included all these loans?

23 A. I did.

24 Q. Now, you mentioned that you got a loan from Johnnie
25 Parker to pay back -- Ms. Limehouse mentioned you never paid

1 any of it with your own money. Have you been paying Johnnie
2 Parker back, the lawyer from the Parker firm?

3 A. I did.

4 Q. Did you pay him interest?

5 A. Yes, sir.

6 Q. Are you late with your payments to Mr. Parker?

7 A. No, sir.

8 Q. Does Mr. Parker regularly loan people in the
9 community money?

10 A. Yes.

11 Q. And when Alex Murdaugh was borrowing money in the
12 conservatorship, did he pay interest to the conservatorship
13 funds, to the account?

14 A. No.

15 Q. Now, she mentioned something about Alex Murdaugh
16 coming to Palmetto State Bank to do business. Did he also
17 bank with another bank?

18 A. He did. He banked with Bank of America.

19 Q. And you did not have access to what -- his account
20 at Bank of America?

21 A. (No reply.)

22 MR. DANIEL: Beg the Court's indulgence, Your Honor.

23 THE COURT: Certainly.

24 MR. DANIEL: No further questions, Your Honor.

25 THE COURT: All right. This witness may step down?

1 MR. DANIEL: Yes, Your Honor.

2 THE COURT: At this time, I don't know if anybody's
3 got any other witnesses or other evidence to present. But I
4 am going to take ten-minute recess for everyone. We will
5 reconvene at noon.

6 MR. DANIEL: Yes, Your Honor.

7 MS. LIMEHOUSE: Thank you, Your Honor.

8 (Whereupon, the proceedings are adjourned.)

9 THE COURT: Mr. Daniels, do you have any other
10 witnesses to present?

11 MR. DANIEL: No, Your Honor, we do not have any
12 other additional witnesses. However, the defendant's wife,
13 Ms. Susan Laffitte, would like to address the Court.

14 THE COURT: I will hear from her.

15 MR. DANIEL: Thank you. Please come around.

16 MRS. LAFFITTE: Good morning, Your Honor, all
17 counsel present and ladies and gentlemen of the audience.
18 Thank you for allowing me the opportunity to say a few words
19 to me. Bear with me. This is not my arena. I prefer
20 kindergartens, third graders, anything below sixth graders.
21 And this is certainly not on my bucket list. However, I feel
22 it is necessary that I share with you today.

23 First of all, I want to express sympathy to each and
24 every victim that has been taken advantage of by Alex
25 Murdaugh. My family and I understand how it feels to be

1 victimized by someone you trusted. And we sympathize with
2 each of those victims.

3 Russell and I have remained quiet throughout this
4 process for several reasons. One, we thought that was the
5 expectation, the way the legal process was supposed to
6 proceed, the appropriate behavior in legal proceedings; two,
7 we feared that our words would be spun and misrepresented by
8 the media or attorneys; three, we do not pray of being in the
9 spotlight. We are simply a family striving to live each day
10 with purpose and conscious integrity.

11 However, due to multiple media inaccuracies and
12 false statements by plaintiff's attorneys and how those
13 misconceptions have thus far negatively affected my husband's
14 freedom and our family in general, I feel that it is
15 necessary to share some true facts with you all today. My
16 goal today is to share a few facts with you that will make it
17 clear beyond a shadow of a doubt that Russell Laffitte is not
18 a flight risk and in no way is he a threat to society.

19 A bit about Russell, myself and our family. We are
20 the proud parents of two amazing young people, Carter, a
21 sophomore in college, Luke a senior in high school. We met
22 in preschool, according to a group class photo; however, we
23 don't remember a lot of details about that. When we began
24 dating, we both knew quickly that we were meant to be
25 together. We dated for two months, got engaged, and married

1 nine months later. We've presently been married for 29
2 years.

3 Russell and I both grew up in Hampton County. We
4 have lived there since we were married and do not intend to
5 live anywhere else. I am a reading interventionist in
6 Hampton County School District. I've been teaching for
7 20-plus years. Russell started his first career in farming
8 and since then has been in banking for 24 years. Our first
9 and foremost priority is our family. As parents, we strive
10 to live a responsible, respectful life, and to contribute in
11 a positive manner to our community. Our goal is to raise our
12 children to be kind, responsible, respectful, productive
13 members of their community.

14 I would like to clear up a few misconceptions so
15 that y'all will have the true facts before we proceed.
16 Misconception number one, that we live an extravagant
17 lifestyle. We do not live an extravagant lifestyle, nor do
18 we have access to a mountain of cash. We presently live in a
19 vintage, at best, double-wide trailer on our family farm. We
20 have lived a comfortable life because we work hard. We have
21 raised our children to work hard. They have both had jobs
22 since they were old enough to work. This past summer, our
23 daughter Carter worked two jobs. Our son Luke worked on a
24 farm six days a week.

25 Next misconception, we tried to hide the sale of our

1 home of 18 years. We did not try to hide the sale of our
2 home. We listed it with a realtor. We are responsible
3 people. Our household income changed drastically very
4 unexpectedly. We acquired hefty legal fees. We have two
5 kids to put through college. When you don't have the income
6 coming in to pay your bills, responsible people adjust;
7 hence, we sold our home of 18 years.

8 Next misconception, Russell accompanied Alex
9 Murdaugh on a private jet. Russell has never flown on a
10 plane with Alex Murdaugh. Russell has never attended the
11 college baseball world series. Not only has he not been on a
12 private jet with Alex Murdaugh, he also does not have a
13 pilot's license. He did attempt to acquire a pilot's license
14 very early in our marriage, however, he never completed his
15 license.

16 Next misconception, we socialize frequently with
17 Alex Murdaugh. That is not true. Alex Murdaugh was a bank
18 customer. We attended the funerals of Maggie and Paul
19 Murdaugh, as most members of our community did. Other than
20 that, I do not remember exactly when I last saw Alex
21 Murdaugh. My best recollection was several years ago in a
22 local restaurant.

23 Most importantly, Russell Laffitte is not a danger
24 to society. He's not cold or callous. He is kind and
25 caring. He has never once been accused of any act of

1 violence. He is a hero to his children and many of their
2 friends. He is the favorite uncle. He is the person whose
3 niece calls when she hits a deer with her car. He is the
4 person who anonymously purchases football practice clothing
5 for the kid who's running laps holding up his pants because
6 he does not have a belt to keep them up. He is the person
7 that our friends who is a single mom calls when she is out of
8 town and her car breaks down and she does not have family
9 close by. He is the boss who drives to Augusta in the middle
10 of the night to support an employee whose son has gotten in a
11 very serious and later fatal car accident. He's the friend
12 that drives to Florida and back in a day to attend his
13 friend's mother-in-law's funeral, not his mother, but
14 mother-in-law. He is the son who stops by to change his
15 mother's light bulbs. He is the son-in-law that Granny
16 brings her cell phone to any time she has an issue. And
17 that's pretty often. In fact, he is a gentle giant.

18 He is involved in his community and has been. He is
19 respected in his community. He is the dad that delivers
20 tables for the children's school spring fundraiser and hangs
21 out into the wee hours to clean up those tables and return
22 them at the end of the event. He is the booster club member
23 that has been active in booster club since his children began
24 sports at a young age. He is the organizer and the manager
25 of the Little League concession stand. And what some of you

1 that are not familiar with small-time life do not realize,
2 that's a four-day process for each home game. That means
3 traveling to Savannah with a covered trailer to purchase a
4 plat, preparing, icing down multiple, probably about 10
5 coolers of drinks, working about 9 a.m. to 10 p.m. for home
6 games, cleaning up, and then removing those supplies after
7 the game.

8 As I mentioned, he's a respected member of his
9 community, so respected that he was requested to speak at his
10 daughter's senior class's baccalaureate service. We turned
11 that offer down, but he was requested as one of their top
12 choices.

13 He has also been celebrated by bank employees with a
14 surprise birthday party several months after his employment
15 with the bank ended. That, to me, shows that he is a
16 respected member of his community.

17 I assure you that Russell Laffitte is not a flight
18 risk. He has never had any desire to leave Hampton County.
19 Family is his priority. Family -- our family and extended
20 family are in Hampton County. We have three elderly parents
21 in Hampton County. The people who are near and dear to our
22 hearts are in Hampton County. And that is where we plan to
23 be. Also, not to mention, we could not afford to lose \$1.5
24 million dollars in bond money at this point or any point.

25 In summary, Russell is a man who has worked

1 tirelessly with conscious integrity to support his family,
2 serve his community and give back to his community. He would
3 never in a million years intentionally put his family's
4 future at risk or his family business at risk. In addition,
5 he would never willingly and intentionally harm another
6 family in any way.

7 He, like so many others, has been taken advantage of
8 and manipulated. I look forward to a trial where his legal
9 team has the opportunity to share his side of this nightmare.

10 As you proceed today, please consider that Russell
11 has cooperated every step of the way since the beginning of
12 this nightmare. You might not like what he has to say, but
13 his story has always been the same.

14 Also, please keep in mind, he has never been
15 convicted of a crime. Therefore, he should be presumed
16 innocent until proven guilty. However, that is not the
17 treatment he has received thus far. He is presently wearing
18 two ankle monitors which we are paying a total of over \$400 a
19 month for the dual monitoring systems. We have made four
20 trips so far to Columbia to service these devices. He spends
21 approximately two hours per day hooked up to two chargers in
22 order to charge his multiple monitoring devices. He has
23 difficulty sleeping at night because he often gets tangled up
24 with all of this equipment. We've received calls at all
25 hours of the night concerning his monitoring system, 4:20

1 a.m., 12:57 a.m., to verify his location when, in fact, we
2 were asleep in the bed with both monitors fully charged.

3 Now, there are few experiences that Russell has
4 missed out on throughout this process. And that is probably
5 the most disturbing, because those experiences we can never
6 get back. Just a few: Such as college tours with our
7 17-year-old son, Luke. He's missed out on moving his
8 daughter Carter into college this year. He's missed out on
9 multiple engagement parties, weddings, funerals of very
10 special friends. He's missed out on hunting with his
11 children. Most recently, Russell sat at home last Friday
12 night and missed the first football game of his son's senior
13 year. Even more disturbing, he was given permission that day
14 by federal counsel to attend. We told our son that his Dad
15 was going to be able to attend his game. We were all
16 extremely excited, only to be disappointed when we were
17 notified at 8 p.m. on Thursday evening that Russell would not
18 be allowed to attend Luke's game because it was too far from
19 our home.

20 We could never get back the memories we've missed at
21 this very crucial time in our lives, our son's senior year of
22 high school and our daughter's college years, the last years
23 before they venture out into the world on their own. I ask
24 you all today, do not allow this injustice to continue.

25 Throughout this motion and in the following days to

1 come, I ask all judicial members involved, number one,
2 remember that you are here today to focus on Russell
3 Laffitte, not Alex Murdaugh. Number two, remember that
4 Russell is innocent until proven guilty and has the right to
5 fair and just treatment and a fair trial. Above all, please
6 remember that these -- the proceedings of this court affect
7 real life. And please base your decisions on the facts, the
8 fact that Russell Laffitte is not a flight risk or a danger
9 to society, the fact that there's no evidence to support
10 either of those accusations.

11 I have one last plea before I leave you today.
12 Please do everything in your power to ensure that Russell has
13 a fair trial. This is Russell's fourth hearing. The day
14 before his first arraignment hearing, there was a press
15 conference held on the State House steps which included
16 factually incorrect public statements.

17 During his second hearing, there were several
18 inaccurate statements by plaintiff's attorneys in the
19 courtroom during the hearing. In addition, immediately
20 following the hearing, there was a press conference held
21 outside the courthouse by plaintiff's attorneys. The morning
22 after Russell's third hearing, a newspaper headline read:
23 Ex-Palmetto State Bank CEO Russell Laffitte, and was
24 published alongside a photo of Alex Murdaugh during his bond
25 hearing in Columbia. Let me be clear, no photo of Russell

1 Laffitte was published.

2 It's imperative that this is stopped. If it is
3 allowed to continue, it will be impossible for Russell to
4 have a fair and just trial. Thank you.

5 MR. DANIEL: Your Honor, would you like us to
6 present our argument first?

7 THE COURT: No. I want to know if the Government
8 has any evidence or witnesses that they intend to present
9 before we move to argument.

10 Ms. Limehouse.

11 MS. LIMEHOUSE: We do not, Your Honor.

12 THE COURT: All right. Thank you. Ms. Limehouse,
13 is the Government ready for argument?

14 MS. LIMEHOUSE: We are.

15 THE COURT: And, Mr. Daniel, if you are ready, I
16 will hear from you.

17 MR. DANIEL: May it please the Court, Your Honor.
18 What Ms. Laffitte said I think is significant. And that is
19 to these crimes, she said judge Russell Laffitte, don't judge
20 Alex Murdaugh. These crimes are Alex Murdaugh crimes.

21 Alex Murdaugh stole all this money. He stole from
22 his own client. He fooled everybody. He fooled every member
23 of that Parker law firm, Johnnie Parker's law firm, got
24 fooled and victimized. He fooled the people -- the
25 sophisticated bankers of Bank of America, one of the largest

1 institutions in the world. He fooled them and victimized
2 them. He fooled individuals. He fooled clients. He was a
3 fraud. But at the time no one knew that.

4 Russell Laffitte never stole one red cent. Russell
5 Laffitte borrowed money from the conservatorship. He paid it
6 back with interest. And each time it was secured by the bank
7 stock. He paid his loans back, every single dime. He had
8 sought probate court permission. The probate judge granted
9 that permission.

10 He filed every loan publicly. Went to probate court
11 annually. And some of these lasted many years. He filed
12 them annually with the probate court for all the public to
13 see.

14 Your Honor, what he has done, I believe, is proof of
15 a breach of fiduciary duty, perhaps some negligence, perhaps
16 gross negligence, maybe even recklessness, but certainly not
17 an intentional commission of a crime. And as mentioned
18 earlier, Your Honor, and the Court is well aware, that the
19 least restrictive conditions necessary to reasonably ensure
20 the defendant's appearance, and I believe that we have met
21 that burden.

22 Your Honor, by background, as you've seen, Russell
23 Laffitte is a lifelong resident of Hampton County except for
24 the few years he was in college at Newberry, again within the
25 state of South Carolina. He's been married for 21-plus years

1 to Susie and has two children. Even his parents and siblings
2 and his extended family all live in Hampton County.

3 He's been, as the Court's seen, an active member of
4 the community, vice chair of the Hampton County Special Needs
5 and Disability Board for 10-plus years. He served as
6 chairman of the Hampton -- Town of Hampton Downtown
7 Revitalization Project.

8 As you've heard from Ms. Laffitte as well as Russell
9 Laffitte, he worked concession stands for the Hampton
10 Football Little League. He surrendered his passport
11 initially after that May 6th hearing. His assets were
12 frozen. The proceeds from the sale of the family home are in
13 an escrow account at Nelson Mullins. He possesses no
14 weapons. He's got no history or even mentioned or an
15 accusation of violence.

16 And, Your Honor, since February he's been
17 cooperating fully with law enforcement. And that was early
18 on when the SLED agents came to see him. They would come to
19 see him to try to get to the bottom of it. He was also
20 trying to get to the bottom of it on behalf of himself and
21 the bank and the Parker law firm. And he went and pulled
22 checks and found all sorts of documents that he realized at
23 the time what they meant. And that's the first time that he
24 realized that he too and the bank had been victimized right
25 along with the lawyers, right along with the Bank of America,

1 right along with the clients.

2 He's been cooperating with law enforcement and --
3 excuse me, at the beginning of the investigation, he met with
4 those agents from SLED. And in February of 2022, he
5 voluntarily agreed to be interviewed by the FBI, the U.S.
6 Attorney, SLED, and the Attorney General's Office. There
7 were at least 9, 10 or 11 -- I would say 9 or 10 different
8 Government people from different agencies in that room,
9 including investigators and auditors.

10 Three times he has met with the Office of
11 Disciplinary Counsel about the lawyers involved in this case.
12 And at no time did he have to. At any time he wanted, he
13 could have asserted the Fifth Amendment. And he's been
14 cooperating fully with them on DC and been very helpful to
15 them. The third time was in August -- the first two meetings
16 lasted all day in Columbia. That was in July this year. The
17 third time was in August of this year. And that meeting was
18 here in Charleston. Lasted about a half of a day.

19 He knew that charges were coming. He didn't go
20 anywhere. He continued to meet with his lawyers. He has
21 continued to meet with his lawyers to prepare for trial.
22 He's been on state court bond since the 6th, May 6th, and had
23 no issues. He's been on this Court's federal bond since his
24 initial arraignment, again, absolutely no issues.

25 All the conservatorship loans they've talked about

1 were paid back with interest in a timely fashion. All the
2 conservatorship loans were secured by bank stock, more than
3 ample enough to cover the loans themselves if something went
4 bad. He has either paid back or attempted to pay back the
5 Murdaugh victims, he and the bank and the Parker firm where
6 they were involved.

7 Now, just Friday night he sought permission and he
8 received permission from Ms. Limehouse, U.S. Attorney's
9 Office, and Mr. Kramer with the Attorney General's Office to
10 go to his son's high school football game. And as you heard,
11 the night before was when the U.S. probation officer turned
12 down that request and she said what you heard Ms. Laffitte
13 say, that it was too far away from his home.

14 Your Honor, I have -- one thing I will ask the Court
15 to consider is some of the other bonds that have been set in
16 this district. And one of the first ones was billed as Mr.
17 Andrew Chmiel -- and it's not Ms. Limehouse's case. But it
18 was billed as the largest healthcare fraud in the history in
19 the FBI and the Department of Justice. This particular
20 healthcare fraud was over \$1.2 billion in Medicare fraud,
21 operation Brace Yourself. He was released on \$25,000
22 unsecured bond by Judge Hodges in Columbia.

23 Jeff Benjamin -- and this is Ms. Limehouse's and --
24 yeah, Ms. Limehouse's case. He's an ex-Westinghouse
25 official. And he's been accused of a multi-billion dollar

1 fraud. Again, a \$25,000 unsecured bond. Now, she didn't
2 request that bond, it was Jim May. But she's allowed him to
3 remain under that bond. And he, like Mr. Laffitte, is
4 fighting the charges and they are awaiting a trial. He's
5 also on a state bond and has no ties to South Carolina.

6 Next and probably the most disproportional of all
7 when compared to this case is Mr. Kevin Marsh. He was
8 accused -- he was a SCANA executive that was accused of a
9 multi-billion dollar fraud, which is one of the most highly
10 publicized and the largest fraud in the history of the state
11 of South Carolina. He was also given a bond of \$25,000
12 unsecured.

13 And now Emily -- excuse me, Ms. Limehouse and Mr.
14 O'Halloran, they have that case now. And they have not moved
15 to do anything with that bond. In fact, Mr. Marsh went all
16 the way through sentencing without that bond being modified.

17 Your Honor, again, David Johnston was a lawyer who
18 stormed the U.S. Capitol on January 6th. And that was a
19 case, again Ms. Limehouse's case, of \$25,000 unsecured bond.

20 Next, Ashley Fain, another one of Ms. Limehouse's
21 case, conspiracy to commit extortion, money laundering,
22 smuggling phone in the prison, and she was released pretrial
23 on a \$75,000 unsecured bond.

24 Next Ms. Catherine Needham, which is a PPP fraud
25 case. She's already pled to it. So she's got no presumption

1 of innocence. The total loss in the conspiracy, \$4.7
2 million. The total individual loss \$1.2 million. She is
3 currently on a \$25,000 unsecured bond while awaiting
4 sentence.

5 And, Your Honor, finally, lastly, Mr. Chadwick
6 Gordon, and he was released pretrial. His travel was
7 restricted to South Carolina, except from permission of the
8 USPO. No curfew. No home detention. He stormed the Capitol
9 also on January the 6th. No curfew. No home detention. No
10 home incarceration. No stand-alone warranty. He was
11 released on a \$25,000 unsecured bond.

12 Your Honor, I only ask that the Court -- that this
13 Court be consistent with other cases that are either as
14 sensational as this or much more egregious as this current
15 case. Thank you, Your Honor.

16 MS. LIMEHOUSE: Thank you, Your Honor. May it
17 please the Court. Mr. Laffitte claims to be in the midst of
18 an unprecedented media firestorm. But the timing and the
19 substance of his motion makes clear that his objection to the
20 bond conditions have become a matter of theatrics in search
21 of an audience in both state and federal court. He claims
22 injury from negative press coverage, yet files a 11th-hour
23 motion compelling a response from the Government on matters
24 not previously in the record regarding the nature and
25 circumstances of these offenses and the weight of the

1 evidence, thereby inviting the exact same press coverage from
2 which they claim injury.

3 Now, Your Honor knows that you must evaluate the
4 factors under 3142(g) to determine the least restrictive
5 conditions or combinations of conditions that will assure the
6 defendant's appearance in court. And part of your analysis
7 today are the nature and circumstances of the offenses, the
8 weight of the evidence and the history and characteristics of
9 Mr. Laffitte. And we believe all of those factors weigh in
10 favor of more restrictive conditions than what they are
11 currently requesting.

12 For a brief history, Your Honor, Mr. Laffitte
13 appeared before you back in July. At that time, the
14 Government requested a \$25,000 secured bond with home
15 detention and location monitoring. As we have stated and his
16 testimony has made clear today, Mr. Laffitte is currently
17 employed by the Laffitte Family Partnership, and is tasked
18 with farming thousands of acres of property as part of his
19 employment.

20 Through numerous discussions with the defense
21 counsel and United States Probation Office, the Government
22 agreed to a slight modification -- a substantial
23 modification, excuse me, of those bond terms to allow him to
24 have a stand-alone monitor rather than home detention, with
25 travel restricted within Allendale and Hampton Counties. But

1 he takes specific issue today with that monitor, with the
2 electronic monitor specifically on the federal side.

3 Now, we briefed the nature and circumstances of the
4 offenses and the weight of the evidence extensively. I know
5 Your Honor has reviewed those filings. I will not belabor
6 those points. But, Your Honor, as the superseding indictment
7 makes clear, Mr. Laffitte is alleged to have conspired with
8 Alex Murdaugh to steal nearly \$2 million in funds from
9 personal injury clients all while collecting hundreds of
10 thousands of dollars in fees, fraudulently collecting
11 hundreds of thousands of dollars in fees. And the
12 superseding indictment alleges that he, as an officer,
13 employee, and director of the Palmetto State Bank
14 unilaterally misapplied bank funds by extending sham loans to
15 Alex Murdaugh and by extending \$680,000 to the law firm to
16 cover some of these stolen funds.

17 The allegations and the evidence make clear that
18 Laffitte exploited the vulnerabilities of the very people
19 with whom he was charged with serving as a fiduciary, and
20 that he allowed Alex Murdaugh to steal money, the exact funds
21 that he was charged with managing.

22 Contrary to their arguments and their motion, the
23 evidence is overwhelming against him. The Government has
24 reviewed thousands of records, including bank records,
25 probate records, e-mails, Mr. Laffitte's own e-mails, and

1 also conducted dozens of interviews of witnesses that provide
2 incriminating statements in support of the Government's case.
3 The severity of the charges alone warrant more restrictive
4 conditions than what they are currently requesting.

5 But also, Mr. Laffitte's own history and
6 characteristics, as he's testified today, he is expecting to
7 earn \$230,000 this year. He has millions of dollars in
8 assets at the Palmetto State Bank. They claim that these
9 assets are frozen. While he has been ordered not to dispose
10 or waste of these assets, his access to them remains the
11 same. And they claim that his lack of a criminal history and
12 community involvement warrant less restrictive conditions,
13 but, Your Honor, he is alleged to have been committing a
14 conspiracy to steal money for more than a decade and taking
15 actions in furtherance of that conspiracy most recently in
16 October of 2021. And all of the factors weigh in favor of
17 more restrictive conditions.

18 Practically, Your Honor, we are arguing about Mr.
19 Laffitte wearing an ankle monitor for a matter of months.
20 Defense counsel has made clear that Mr. Laffitte intends to
21 go to trial, that he intends to request a trial within this
22 calendar month. And so within a matter of months, we will
23 determine whether he is guilty or not. And the Government is
24 only arguing that we should be able to monitor his
25 whereabouts during that short period of time.

1 As the defense stated, we have agreed to reasonable
2 requests to travel within those bond conditions. We will
3 continue to do so as long as he remains compliant on the bond
4 conditions. We just request that we be able to monitor him
5 while he is out on bond.

6 Mr. Daniel outlined numerous cases before Your Honor
7 that he said has comparable facts. I'm actually only counsel
8 in a few of those cases. Specifically, the riot cases are
9 out of DC. I just appeared here before those cases were
10 transferred to D.C. and represented their request for bond
11 conditions as the AUSA in DC has requested.

12 I will note, Mr. Kevin Marsh that he stated the best
13 example of disparate treatment, Mr. Kevin Marsh appeared as
14 he was pleading guilty to an information, taking full
15 responsibility for his role in the charges that he was being
16 arraigned on and that he was being fully cooperative with the
17 Government.

18 And despite their numerous statements on the record
19 that Mr. Laffitte has been fully cooperative, as we stated in
20 our response and as I told them more than three times, we
21 believe Mr. Laffitte lied to the FBI on numerous occasions
22 during his proffer in February 2022. Unlike Kevin Marsh,
23 he's not cooperating with the federal government. He's not
24 coming in and pleading guilty to an information taking full
25 responsibility for his conduct. And so he's in a much

1 different position in terms of what the bond conditions
2 should be to assure his reappearance rather than Mr. Kevin
3 Marsh.

4 And the same can be said with Ms. Cathy Needham.
5 She came in and pled guilty to an information with
6 corporation language agreeing to be fully cooperative with
7 the Government.

8 Contrary to their arguments in the motion, Your
9 Honor did not impose these current conditions in response to
10 negative press coverage. But Your Honor properly weighed the
11 factors under 3142(g) to impose the least restrictive
12 conditions to ensure his reappearance in court. And we
13 believe he should be continued to wear -- continue to require
14 -- continue -- he should be required to wear the electronic
15 monitor, Your Honor, until the trial of this case. Thank
16 you, Your Honor.

17 MR. DANIEL: One second.

18 THE COURT: Certainly.

19 MR. DANIEL: Your Honor, I began as an assistant
20 U.S. Attorney 40 years ago, March 1982. I've been on both
21 sides back and forth. And I have never seen a bond, stating
22 it fairly, that's disproportion. In this kind of case, it's
23 a fraud case, Your Honor. There's no violence. There's no
24 threat to community. It's not a thug case. The presumption
25 is against all the reasonable conditions. And all we are

1 asking is do away with home confinement and do away with
2 electronic monitoring, Your Honor. He's currently wearing
3 two ankle bracelets.

4 THE COURT: All right. Thank you for that.
5 Anything further, Ms. Limehouse, from the Government?

6 MS. LIMEHOUSE: Nothing further, Your Honor.

7 THE COURT: Okay. For the record, I want to be
8 clear, there was no argument from the Government and there
9 has been no finding from this Court that Mr. Laffitte is a
10 danger to the community. That's not an issue before me. My
11 considerations on bond were under the factors that I am to
12 consider under the Bail Reform Act. They were at the time
13 when I made the initial bond conditions, and they are today
14 under 3142(g). And I have before me the case against Mr.
15 Laffitte. This is not about Mr. Murdaugh. I have a
16 superseding indictment with charges against Mr. Laffitte. It
17 is that indictment, it is those charges, and it is the
18 evidence that has been presented before me at this hearing
19 and the arguments that were made at the previous hearing that
20 I considered then and that I am considering now in issuing my
21 decision.

22 I appreciate the emphasis on other cases, but I also
23 do want to remind counsel that each individual case is
24 decided on the particular factors of that case and the
25 particular factors of that defendant. I don't know the

1 particulars of the cases that you went through before, Mr.
2 Daniel. I do know the case that I've got in front of me and
3 the factors that I'm considering in this case.

4 I do want to address, as I understand it,
5 notwithstanding your argument regarding bond amounts, that
6 issue is not before me. As I understand it, Mr. Daniel, you
7 are not making any argument for reconsideration of the bond
8 amount. Is that correct?

9 MR. DANIEL: That's correct, Your Honor.

10 THE COURT: Okay. So the two issues that I
11 understand we are talking about are the location monitoring
12 and the home detention. I want to address the location
13 monitoring. I am charged with identifying the least
14 restrictive conditions that I deem necessary to reasonably
15 assure Mr. Laffitte's presence as required. And I have done
16 that. And I have determined that location monitoring is
17 appropriate.

18 We had this discussion at the last hearing. I can
19 appreciate the inconvenience of having two monitors. I do
20 not have control over the state monitoring system. As I
21 understand it from probation, the issues with the monitor
22 that requires traveling to Columbia is the state monitor. It
23 isn't the federal monitor. I don't have any control over
24 that. And I can't do anything about that.

25 I appreciate that you included a copy of the motion

1 to reconsider the bond conditions that you filed in state
2 court. I don't know where that stands. But, again, I don't
3 have control over the state system. I am looking at the
4 federal charges before me and the considerations that I have
5 to make. And I am not removing the location monitoring
6 condition. I deem that one of the least restrictive means
7 that are necessary.

8 Now, at the time when I ordered home detention, I
9 allowed for Mr. Laffitte to work the farm. I did not at that
10 time understand the size or geographic location of that farm.
11 I understand from the Probation Office that there are some
12 challenges with the home detention and location monitoring in
13 light of that. So at the Probation Office's request or
14 suggestion, I am going to move Mr. Laffitte to a standalone
15 monitor. So he is no longer -- I am modifying that condition
16 of his bond. He is no longer in home detention. I am moving
17 him to a stand-alone monitor.

18 In conjunction with that, however, I am going to
19 restrict his travel. I understand that the majority of his
20 family is in Hampton County. The neighboring county is
21 Allendale. I am going to restrict his travel to those two
22 counties unless approved by the Probation Office. I have
23 talked to Probation. They understand at a minimum they will
24 be need to be approved to go to Columbia if you aren't able
25 to resolve the state monitor piece. And there may be other

1 family matters that they will consider approving. Moving him
2 to stand-alone will give the Probation Office that discretion
3 that they did not have before with the home detention. All
4 right?

5 Now, I want to make sure I've addressed, Mr. Daniel,
6 the modifications that you requested. As I understood it
7 from the motion, it was removal of home detention and the
8 location monitoring. I've addressed home detention and
9 location monitoring. Are there any other conditions of my
10 bond that you wanted to argue for me to reconsider?

11 MR. DANIEL: No, Your Honor.

12 THE COURT: Okay. And, Ms. Limehouse, anything
13 further from the Government with regard to the modifications
14 that I've just made to Mr. Laffitte's bond?

15 MS. LIMEHOUSE: Nothing further from the Government,
16 Your Honor.

17 THE COURT: All right. And, Mr. Daniel, I should
18 have asked, any further argument from you?

19 MR. DANIEL: No, Your Honor. Already done.

20 THE COURT: Okay. This matter is adjourned.

21 MS. LIMEHOUSE: Thank you, Your Honor.

22 (Whereupon, proceedings are adjourned.)
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25

CERTIFICATE OF REPORTER

I, Karen V. Andersen, Registered Merit Reporter,
Certified Realtime Reporter for the State of South Carolina
at Large, do hereby certify that the foregoing transcript is
a true, accurate and complete Transcript of Record of the
proceedings.

I further certify that I am neither related to nor
counsel for any party to the cause pending or interested in
the events thereof.


Karen V. Andersen
Registered Merit Reporter
Certified Realtime Reporter